Daily Report

Latin America

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Tuesday
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NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

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Cuba

Castro Makes Second Visit to Medical Fair

FL3004012591 Havana Radio Rebelde Network in Spanish 2302 GMT 29 Apr 91

[Xiomara Gonzalez report on the "Exclusive" program]

[Text] Since 1500 hours [1900 GMT], Commander in Chief Fidel Castro has been visiting the Cuban pavilion at the Fifth International "Health for All" Medical Equipment Fair here in Pabexpo. Fidel began his tour in the Ministry of Construction area; this is the first time this ministry has exhibited at this fair. The president of the Councils of State and Ministers has been conversing in the different areas of the Cuban pavilion with the exhibitors and producers of the various medical products and types of equipment.

I also have good news for all our listeners. This Cuban pavilion, which won a special prize at the fair, will be open to the public on Tuesday, Thursday, and Friday from 10 am to 6 pm. There is no admission charge, of course. There will also be guided tours for the work and study centers that are interested.

Commentary on SELA Meeting in Venezuela

PA3004011291 Havana International Service in Spanish 0100 GMT 26 Apr 91

["Our America" commentary]

[Text] The U.S. Government does not know how to cover its huge fiscal deficit and is trying to get the Latin American market to pay for it. These words—which probably marked the Latin American Economic System, SELA, meeting in Caracas—were stated by Carlos Perez del Castillo, the permanent secretary of the organization, just after the meeting had started to discuss the so-called Initiative for the Americas. Perez Del Castillo stressed to the hundred delegates of the 26 member countries of SELA that the initiative proposed by President George Bush was aimed at resolving the problems arising from the large economic recession in the United States more than improving the regional situation.

Before starting the meeting in Caracas, Perez del Castillo recommended that they discuss the proposal as a bloc. However, a few delegates were of the opinion that this stance would probably not be feasible because of the heterogeneousness of the countries and the different relations maintained with the White House. Nevertheless, at the end of the Caracas meeting, the delegates said that the Initiative for the Americas should only serve as a basis to start a new, mutually advantageous dialogue with the United States.

As is generally known, the proposal made by President Bush last year seeks to establish a free trade zone from Canada to Patagonia, to symbolically reduce the official foreign debt, but not the debt with the private banks, and to find new incentives for foreign investment. Most of the journalists and the reporters who attended the meeting agreed that there was no applause for the frequently mentioned U.S. initiative because it is not supplemented with joint regional proposals that would enable both sides to benefit.

On several occasions, the SELA has asserted that although the Bush initiative is a positive change from the proposals made by previous U.S. administrations, it is the region's responsibility to improve the terms of the intiative and to prevent it from becoming a unilateral instrument of the United States.

One of the initiative's most controversial aspects—free trade—is considered by SELA as something that could affect the economic conditions of the Latin American nations which have suffered from poor development, in comparison to the United States.

That is why the conclusions of this meeting held in the Venezuelan capital contain the concept of relative reciprocity, which was absent in President Bush's proposal, aimed at focusing Washington's economic relations on the countries south of the Rio Bravo.

Other contributions were the proposal to exchange the debt for social projects, which does not appear in the U.S. offer either, and the ratification of regional proposals on foreign debts made last year by the SELA member countries.

In this regard, the call to the United States to soften the regulations on commercial banks, carry out steps to really reduce the official debt, and carry out positive actions in general for the region was reiterated. Regarding investments, the SELA said the $1.5 billion over a five-year period established by the American proposal was insufficient.

It can be said that the three-day meeting called by the SELA left open a path to continue the analysis of the White House's proposal, but an atmosphere of acceptance did not prevail because of the inconveniences the highly touted initiative could bring to the region's countries.

Ross Meets With WFTU Secretary General

FL3004015391 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 30 Apr 91

[Text] Delegations invited to the 1 May activities continue to arrive in our country. This afternoon, Pedro Ross, secretary general of the Cuban Workers Federation [CTC], met with Alexander Zharikov, secretary general of the World Federation of Trade Unions [WFTU], and (Nguyen Banban), a representative of the Vietnamese Union Confederation. Previously, (Elene Duberos) of the General Confederation of French Workers had arrived.

[Begin Zharikov recording in English with simultaneous translation into Spanish] I think that being present here expresses the feelings of workers the world over, and the

solidarity they feel with the Cuban workers, for their choice, their struggle, and [words indistinct]. I could say that we have very friendly and good relations with the CTC, which is a very important organization within the WFTU. Cuba plays a very important role within the WFTU. So this is a very great occasion for me. [end recording]

CPUSTAL Reaffirms Solidarity With Panama, Cuba

FL3004015691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 30 Apr 91

[Text] Solidarity with Cuba and other Latin American countries was reaffirmed today during a meeting of CPUSTAL [Permanent Congress for Latin American Workers Trade Union Unity] members held at the Cuban Workers Federation offices. At the meeting, the members of the CPUSTAL leadership analyzed the work of the organization in recent years. They also called for a general council meeting to be held in November. Current topics for the continent—such as solidarity, union unity, and the struggle not to pay the foreign debt—were points that were discussed in depth.

At the CPUSTAL meeting, a resolution of solidarity with the Panamanian people, who are demanding the withdrawal of the Yankee troops from that country, was also approved. The CPUSTAL also came out in favor of strengthening the ties of friendship with Cuba, precisely at a time when imperialism is harassing and trying to isolate the country. The CPUSTAL members will participate with our people in Revolution Square on 1 May in the festivities for that historic date. This will be a revolutionary demonstration of unlimited support for the socialist system.

Caricom Commission Explores Greater Ties

FL2904203291 Havana Radio Reloj Network in Spanish 1932 GMT 29 Apr 91

[Text] A Caricom [Caribbean Community] technical commission has begun its first official contacts today in Havana to explore the possibilities of establishing general economic and cooperation relations with Cuba. The delegation is headed by Byron Blake, director of the Economics and Industry Department of the Caricom Secretariat. He explained that his visit is motivated by the integration process for the English-speaking Caribbean and its integration with the other countries of the subregion, including Cuba and Latin America.

At the opening session of the first meeting with Cuban specialists, Blake expressed interest in the prospects for technological exchange in various economic fields. In turn, Minister of Foreign Trade Ricardo Cabrisas agreed with the visitor, and suggested the need not only to work out common economic policies of unity and integration but also to create a regional Latin American market.

Officials Greet Returning Soldiers From Angola

FL2904143891 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Apr 91

[Text] Another group of internationalist soldiers have returned to our country from Angola after fulfilling their mission with honors. These men, who arrived hours before the 1 May celebration, will continue the struggle to strengthen socialism. They were greeted at the Guajay airport by Division General Sergio del Valle and Joaquin Benavides, members of the Central Committee of the Communist Party of Cuba.

During a simple ceremony, Conrado Martinez, president of INDER [National Institute for Sports, Physical Education, and Recreation], said:

[Begin Martinez recording] The endless happiness we feel to see you return victoriously to our country and deeply embrace our people, who today give you a heroes' welcome, reaffirms the value of knowing how to act in accordance with your principles. What was achieved, faced with the South African aggression, was not achieved by making concessions [applause]. [end recording]

Iranian Atomic Energy Delegation Arrives

FL2904142991 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Apr 91

[Text] The arrival in Havana of a delegation from Iran will increase the perspectives for cooperation in the peaceful use of atomic energy between Cuba and the Republic of Iran. Reza Amrollahi, deputy president of the government and president of the Atomic Energy Organization of the Islamic Republic of Iran, arrived in Cuba at the invitation of Fidel Castro Diaz-Balart, executive secretary of the Atomic Energy Commission of Cuba, who greeted him at the Jose Marti Airport. During his stay in Cuba, Amrollahi and his companions will visit areas of scientific and technical interest.

El Salvador

Assembly Approves Constitutional Reforms

PA3004043091 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Apr 91

[Report by Marco Antonio Guevara]

[Text] In a historic plenary session, the Legislative Assembly this afternoon approved reforms to the Constitution as a result of the latest round of talks between the government and the Farabundo Marti National Liberation Front. The reforms were approved by 57 votes.

Parties Favor Proposed Changes

PA3004060791 San Salvador Canal Doce Television in Spanish 0311 GMT 30 Apr 91

[Passages within quotation marks are recorded]

[Text] Ruben Zamora, leader of the Democratic Convergence [CD], today said that he supports the proposed constitutional amendments. Last week, Zamora had voiced doubts about the document prepared by the political parties in the Legislative Assembly.

The government-guerrilla agreements are welcomed by the leader of the leftist parties. At this time, the CD representative feels the package of constitutional amendments are a minimum necessity for making progress in the peace process of the country.

[Zamora] "We believe there are very important things in this document. For example, it clearly establishes the function of the Armed Forces, while the human rights attorney is assigned specific duties and not just formal duties as was the case in the other document. It also brings up the issue of modifying the National Council of the Judges, and it also notes how the Electoral Tribunal should be formed."

Zamora added that the CD promises to ratify these constitutional amendments, if the current legislature approves them. He added that once they are ratified, the CD deputies will also commit themselves to fighting for other constitutional amendments. For example, he mentioned the following:

[Zamora] "We seek to modify articles such as those that refer to restricting land for agricultural purposes. We need to amend articles that prevent the organization of the state workers in labor unions. We also need to discuss articles for making greater progress in the demilitarization of the country."

However, the opposition politician was very clear when he said that if the current Assembly does not approve the amendments, Arena [Nationalist Republican Alliance] is to be blamed for this.

[Zamora] "It is not possible that in Mexico, the Cristiani government agrees to one thing, and then its deputies here in San Salvador do exactly the opposite. This would simply mean that the Arena people are playing with peace and are mocking the interests of the Salvadoran people."

Ruben Zamora also said that if the agreements reached in Mexico are approved, the military actions would come to an end this year. The optimism displayed by Zamora says much of the confidence of the leftist political parties and the package of amendments achieved in Mexico City by the delegates of the government and the guerrillas. The political leader has great expectations, as long as the current legislature will approve the amendments.

Meanwhile, the Christian Democratic Party [PDC] today said it was pleased with the results of the dialogue and referred to the document on the constitutional amendments prepared by the political parties. The PDC leaders said they were very optimistic over the agreements reached by the government and the guerrillas in Mexico, and particularly the participation of the political forces in the constitutional amendments. Chavez Mena said that these agreements are decisive factors in achieving peace in the country.

[Chavez Mena] "The initiative taken by the PDC, with the other parties that currently form part of the Legislative Assembly, in presenting constitutional amendments contributed greatly to settling the impasse at the negotiations table. Evidence of this is the great similarity between this document—the Mexico Declaration—and the accord of the political parties on the constitutional amendments. These are almost identical. This confirms that the participation of the political parties and the PDC in this initiative is truly for achieving progress in the peace process."

The PDC secretary said, however, that the reforms are not all that his party expects. He added that in the next few days, the PDC will present several reforms, among them a plebiscite, greater autonomy of the Settlements Court, a new Supreme Court of Justice, as well as change in the regulations and limits on land covered by the Agrarian Reform. At present, up to 245 hectares are allowed and the PDC will ask for this to be reduced to 145 hectares.

In addition, the new Electoral Tribunal should grant the same opportunities to the political parties. At the same time, he said the party will oppose the capital punishment stance promoted by Arena.

FMLN Front Commander Views Mexico Agreements

PA3004033991 Mexico City NOTIMEX in Spanish 0205 GMT 30 Apr 91

[Report by Martha Trejo]

[Text] Guazapa, El Salvador, 29 Apr (NOTIMEX)—The Mexico agreements mark the beginning of the end for the Salvadoran Government's warmongering and obstinate

attitude, although a lot more must be negotiated, a rebel front commander has stated.

Damian Alegria, commander of the "Modesto Ramirez" Central Front's joint command, headquartered on Guazapa Hill, Cuscatlan Department, said that "the minimal package" of agreements achieved in Mexico City represent progress and establish the groundwork to continue the dialogue and achieve "a fruitful ending."

During the interview in this central area of the country, the commander of the Farabundo Marti National Liberation Front (FMLN) said that the pressure exerted by national and international groups was fundamental and prevented the rupture of the negotiating process carried out by the dialogue commission for 24 days.

The Salvadoran guerrillas and government met between 4 and 27 April in Mexico City under UN sponsorship and managed to sign the Mexico declaration, which foresees constitutional reforms and the creation of the "Commission of Truth," among other things.

Alegria said that the FMLN was willing to achieve a cease-fire agreement during the recently concluded meeting, "but this cannot be achieved in exchange for nothing and, since the other party was reluctant, we have left it for another time. But we continue to discuss it as an important point."

Accompanied by three commanders of the joint command, Alegria said that the agreements achieved on the Armed Forces issue "are very general and do not cover all aspects, but the point about the Truth Commission is very positive." "It will establish the groundwork for an eventual purge of the Armed Forces," he stated.

Alegria added that the real solution to the armed conflict must include complete demilitarization. "We maintain the position that the two armies (the Armed Forces and the FMLN army) must disappear," he said.

The FMLN commander said that no progress was achieved on this point during the negotiations, but this was mainly due to "the problems that (Salvadoran President Alfredo) Cristiani has with the extreme right, which still clings to the idea of obstructing" the peace process.

The discussion about the Armed Forces "provokes an internal dispute among the government and the rightist sectors. However, we hope that Cristiani's attitude will change when he seeks a true solution to the conflict," he said.

[Words indistinct] of the FMLN are a reality, adding that "in the course of war, the FMLN has been able to control permanently various areas of the country, both military and political control."

Therefore, he emphasized, "a cease-fire agreement should be accompanied by a recognition of those territories and areas."

The guerrilla leader said that the Modesto Ramirez Front, the main force that operated in San Salvador during the 1989 offensive and that operates more frequently in this city, "always trusted and supported the FMLN delegation in the lengthy negotiating process, and we knew that we had to be flexible."

If the dialogue was about to break, he said, it [words indistinct] "the stubborn position of the government and of the Armed Forces, but we know there were factors that contributed to continuing the negotiations."

Concerning the package of reforms presented by four political parties in the dialogue, Alegria said that "this was a ploy by the rightist parties to make the situation easier for the govenrment at a time when there were no arguments for not accepting the constitutional amendments."

The rebel leader pointed out that "the Americans know that this (breaking the dialogue) would have been the worst thing that could happen, and they exerted pressure so that this would not occur in order that agreements could be reached." He added that "more than being flexible, the government felt it was being cornered" by national and international pressure.

However, he warned that the military actions will continue because "the FMLN cannot give up this right it has won as a result of the bloodshed and sacrifice throughout the history of the country." As long as there is no willingness by the government to negotiate basic points, "the war will continue being a fact, and although we are interested in shortening it, it is clear that in order for there to be a cease-fire, there must be basic political agreements, and this is not yet the case," he concluded.

Military Representative Comments

PA3004062491 Mexico City NOTIMEX in Spanish 0235 GMT 30 Apr 91

[Text] San Salvador, 29 Apr (NOTIMEX)—Colonel Mauricio Ernesto Vargas, member of the official dialogue commission that met with the guerrillas in Mexico City for 24 days, stated today that the Mexican agreements did not change the Salvadoran Armed Forces as an institution but changed its social role.

After the news conference offered by the Salvadoran Government commission, Vargas stressed that in the negotiations "there were no winners or losers," but there was progress which made "the Salvadoran people the winners."

According to the military officer, the changes in the military institution will be tied to phases that start with a cease-fire and end with national reconciliation. He also stated that the end to hostilities and the guerrilla's demobilization are steps that must be taken prior to an agreement being reached on peace.

However, the Farabundo Marti National Liberation Front has declared on several occasions that, prior to a

cease-fire, there has to be a recognition of the guerrillas as a "real power" in the country and the demilitarization of society, including both armies.

Vargas's main concern is the transition phase between "war and reconstruction," as he believes "peace is not achieved with decrees. It is constructed, and history shows us that the biggest problems arise once the crisis has been overcome."

Vargas stressed that the steps that must be taken before and after a cease-fire is agreed on must be "done quickly, because with a too lengthy cessation of hostilities we run the risk of provocations and national destabilization."

Also, Vargas categorically rejected the rumors that a high-ranking officer does not concur with the agreements reached in Mexico, saying that "the topic of the Armed Forces was the one discussed the most and we are aware that he who does not change loses. The soldiers were the ones who made the most progress and got the most out of this process because they are the ones who have knocked on the doors of conflict and the ones who supply the dead," Vargas added.

Regarding the effects of the negotiations on the armed conflict, Vargas stressed that "the agreements made the process irreversible and showed us that the number of military and violent actions must decrease. That is what logic tells us, however, reality tells us something different." According to the officer, the FMLN actions, such as sabotage of the power system, "do not contribute to the creation of a favorable climate for the process in which the decrease of violence will allow the people to match the agreements made at the table with the reality."

In conclusion, Vargas said that the creation of the Truth Commission, which is based on the agreements reached in Mexico, "is not only intended for the Army. The commission will investigate everyone in these past 10 years of conflict. Every sin carries its own punishment," Vargas said.

Presidency Official Comments

PA2904223591 San Salvador Radio Cadena Horizonte in Spanish 1200 GMT 29 Apr 91

[Report by Hilda Quijano; passages within quotation marks are recorded]

[Text] Deputy Presidency Minister Ernesto Altschul has said that the conditions are present to implement the political agreements reached at the negotiation table between the government and the FMLN [Farabundo Marti National Liberation Front]. Altschul added that the parties with initiatives such as constitutional reforms will be helpful.

Altschul said that the political agreements between the government and the FMLN could be implemented immediately after being signed because the groundwork for their application has been done. The official said that the atmosphere for reaching agreements was helped in part by the constitutional reforms proposed by the political parties at the Legislative Assembly.

Ernesto Altschul also said that he hopes the rebels will show good will in reaching agreements to end the war soon. This could be discussed by the two negotiating delegations in May.

[Altschul] "The important thing is that now the path for peace has been paved because, what the FMLN has been referring to as obstacles in the implementation of the political agreements does not exist. With the actions that the Legislative Assembly is undertaking—or will undertake—it will be possible to implement these agreements. We hope that the FMLN will show its goodwill and that in the first days of May we will be able to open another round of talks, like the ones we just had, until we reach the end. That is the will of the president of the Republic."

[Quijano] "Would the cease-fire be signed in May?"

[Altschul] "If it were possible, and if the FMLN wanted it also, it would be good if it were signed tomorrow. However, if it is signed in May, that would be excellent, and if it is signed in June, that would be good too, but it must be signed soon because that is what the people want."

Altschul insisted that it is up to the FMLN whether the agreements will be signed before there is a cease-fire and, therefore, the continuation of the armed conflict is up to them.

In that framework, the deputy presidency minister said that the rebels' intention, by having the government reform Article 248 of the Constitution, was to create an ongoing social debate in the country, given their inability to garner support for presidential elections after they join political life.

[Altschul] "It is important to understand what the FMLN's motivation is and has been in the past. They visualize their incorporation into the democratic process and, obviously, they have short- and long-term plans. A period without elections, like 1991-1994, would be deadly for a group like the FMLN. The group would risk losing the people's support in times of peace—once the people started enjoying the benefits of peace and stopped worrying about the blackouts, deaths, mourning, and suffering in the streets, etc. The people would not be forced to do anything.

"Article 248 was a trap through which FMLN members would present a new set of constitutional reforms. These reforms would immerse society in a continuous debate, because the other political parties would not let the FMLN assume a dominant role and El Salvador would become involved in an ongoing political campaign."

Altschul termed as childish the rebels' arguments about the proposed constitutional reforms drafted by political parties because, in his opinion, the modifications would hinder the attainment of peace.

According to Ernesto Altschul, the FMLN's attitude is reprehensible [words indistinct] rebels underestimate the parties' efforts and proves its uneasiness because it lacks the political groups' full support for the points it demanded from the government during the negotiations.

Rebel Radio Views Agreements

PA2904202691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Apr 91

[Station commentary]

[Text] This is a victorious Sunday because the agreements reached in Mexico are a victory for our people. Ten years of struggle have not been in vain; 10 years of heroism and bloodshed have led us to this victory, marked by the surrender of the fascist warmongers. We are marching down the road of democracy and social justice that our heroes and martyrs dreamed of. The agreements represent a victory not only for all national sectors, but also a victory for you, comrades of the Farabundo Marti National Liberation Front [FMLN]. During these 10 years of struggle defending minorities, the FMLN has managed to twist the warmonger's arm and defeat his will to fight. Fellow fighters, let us celebrate together with all the people this great victory with the minimum agreements that were reached in Mexico, thanks also to the flexibility and ability of our representatives in Mexico City. We send them our greetings.

The agreements reached so far at the negotiating table are thanks to the untiring struggle of all the people. These results prove that the FMLN is a true democratic force, a political and military force that fights for society's benefit.

Official Commission Returns

PA3004051091 San Salvador Canal Doce Television in Spanish 0308 GMT 30 Apr 91

[Report by Antonio Mineros]

[Text] Upon its return this afternoon to El Salvador, the official dialogue commission described the results of the round of talks held in Mexico as an important agreement between the government and the FMLN [Farabundo Marti National Liberation Front]. Oscar Santamaria, head of the official dialogue commission, has announced that the cease-fire topic will be discussed in May. Dr. Oscar Santamaria said that one of the main reforms to the Constitution is the new role of the security corps and Armed Forces within the democratic process in El Salvador. Regarding reforms to the judicial system the government official said that this will give the process strength. He said that the same will occur with the changes to the electoral system.

[Begin Santamaria recording] What constitutional reform did we agree on regarding the Armed Forces? There are two main points. One of these main points was presented at the negotiating table in our document on the Armed Forces. You may remember that in discussing the issue of the Armed Forces we presented an idea that we have called: The Redefinition or Role of the Armed Forces in a Democratic Society. Within the framework of the role the Armed Forces should play in a democratic society we have presented a plan for an overall reorganization of the armed institution. As a result of this, the constitutional guidelines on the Armed Forces must be changed. [end recording]

May could be the month for the peace process in the country to be defined since May will be the month when the two parties will broach the cease-fire issue, Santamaria said.

[Begin Santamaria recording] We believe that even though the response we have brought back for the Salvadoran people is not truly a cease-fire agreement, this agreement on constitutional reforms is a cornerstone for reaching the two other agreements that are still pending. We will begin to meet in May to see if it is possible to reach those agreements so that we may give the Salvadoran people a definite response, so that we can tell the Salvadoran people that peace is something real and that what all the Salvadoran people have wished for these past 10 or 11 years, is at hand. [end recording]

Dr. Santamaria also said that the creation of the Truth Commission is an important achievement. This commission will be made up of three people appointed by UN Secretary General Javier Perez de Cuellar once he has heard the views of the parties involved. This commission will choose its own president and will be responsible for investigating serious acts of violence that have occurred since 1980.

Colonel in Jesuit Case To Remain in Jail

PA3004051391 San Salvador Canal Doce Television in Spanish 0323 GMT 30 Apr 91

[Report by Alfredo Villareal—passages within quotation marks are recorded]

[Text] That evidence exists to support the arrest of Colonel Guillermo Alfredo Benavides Moreno was confirmed today by the judge who was appointed by the Supreme Court of Justice to handle the habeas corpus writ filed in favor of the main suspect in the Jesuit case.

Doctor Salvador Urrutia, the executor judge appointed by the constitutional court to study Colonel Guillermo Alfredo Benavides' legal situation, issued a ruling based on the fact that in November 1989 the military officer was commander of the security command at a military installation and he had that authority at the moment in question; the ruling also was based on the Army's statutes.

Also, and this is more important, the ruling was based on the depositions of Generals Rene Emilio Ponce and Juan Orlando Zepeda, who have stated that Benavides had authority and he did not necessarily have to consult with the military high command regarding his decisions.

The judge's ruling states that Col. Benavides should remain in prison for the murder of six Jesuits priests, one maid, and her daughter; and for planning and conspiring to perpetrate acts of terrorism.

[Urrutia] "Therefore, I am able to report to the honorable court that the process includes enough evidence to support the judge's decision to order the preventive arrest of Col. Guillermo Alfredo Benavides Moreno in acoordance with the law. In my opinion, the case should continue.

[Reporter] "Does this mean that the colonel will remain in prison?

[Urrutia] "That is out of my control. I can state that the judge only presents a report and this is studied so that the honorable constitutional court may issue a ruling.

[Reporter] "How much time does the constitutional court have to study the judge's ruling?

[Urrutia] "The law does not specify this, but the court is acting with speed and it is presumed that this will be handled quickly."

Likewise, the constitutional court reported that it is studying the habeas corpus writ in favor of Lieutenant Jose Ricardo Espinoza Guerra, who also claims he is innocent.

Rebel Sabotage Knocks Out Half of Nation's Power

PA3004045591 Paris AFP in Spanish 2320 GMT 29 Apr 91

[Text] San Salvador, 29 Apr (AFP)—The city of San Salvador and over half of El Salvador's territory remains without energy today due to the guerrilla's extensive sabotage of the energy infrastructure, official sources have reported.

The state-owned Lempa River Hydroelectric Executive Commission (CEL) announced that early this morning rebels blew up an unspecified number of power towers and poles that carry 115,000-volt cables. The sabotage left six primary lines out of service, causing a nationwide electricity shortfall of over 50 percent, CEL noted, adding that a drastic rationing plan was implemented.

On 28 April, the Farabundo Marti National Liberation Front (FMLN) guerrillas downed seven towers on the northern trunk highway, which worsened the energy crisis the country was experiencing last week.

Meanwhile, in San Salvador, with a population of 2 million, traffic lights are out, causing traffic jams. In addition, businesses and radio and television news media are using auxiliary plants to generate energy.

Last week, the FMLN announced it would suspend sabotage of the electricity network in cities, but not in rural areas, where it stepped up its sabotage as part of the "campaign to wear down the government's economy," rebel spokesmen reported.

FMLN Says Military Actions Obstruct Accords

PA3004013291 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Apr 91

[Communique issued by Military Region No. 3 of the National Army for Democracy of the Farabundo Marti National Liberation Front, on 28 April; place not given—read by announcer]

[Text] 1. In the past few hours, we have detected the deployment of Military Detachment No. 4 and Arce Battalion troops. At the same time, we have established that members of the National Police and Military Detachment No. 4, dressed in civilian clothing, have infiltrated territories under our control in Morazan Department in search of information.

2. Within the framework of the negotiations, Military Detachment No. 4 is preparing a special operation in Morazan, planned by Colonels Ciro Lopez Roque and Chino Hernandez Hernandez. Col. Hernandez Hernandez is chief of intelligence of Military Detachment No. 4 and, together with [Interior Minister] Col. Juan Martinez Varela, was involved in the coup d'etat to prevent President Cristiani from fulfilling his commitment to reform Article 248 of the Constitution.

3. The aforementioned military commanders have demonstrated their concern and disapproval of the agreements reached in Mexico, particularly for the creation of the Truth Commission that will uncover the crimes committed by the Armed Forces.

4. We advise the national and international community that this special operation, which is being planned by Military Detachment No. 4 and the 3d Infantry Brigade, is intended—as was the murder of Commander Jesus Rojas—to create conditions that will hinder complying with the agreements that resulted from the negotiations.

5. We call on the people of Morazan to be alert and to report on the movements of the enemy forces in order to annihilate them. The antidemocratic Armed Forces must not believe that these plans will go without an adequate response. On the contrary, we are waiting for the enemy so we can bury them in our liberated territories.

28 April 1991, Military Region No. 3 of the National Army for Democracy.

Rebels: Attacks on Military Targets To Continue

PA2904164491 San Salvador Radio Cadena YSKL in Spanish 1215 GMT 29 Apr 91

[Text] Urban guerrillas have announced that they will continue to attack any targets they regard as military in the San Salvador metropolitan area.

Rebel spokesmen said that the guerrillas will conduct these activities as part of a military drive to avenge the death of Nicaraguan-born guerrilla commander Jesus Rojas, who died in Chalatenango on 12 April.

Salvadoran Air Force Chief General Rafael Antonio Villamariona said that the Air Force is prepared for any guerrilla actions anywhere in the country. The general also said that the Armed Forces should not meddle in politics and that it is better to attain the nation's pacification through dialogue and negotiation rather than by force of arms.

Guatemala

URNG Leader Gaspar Ilom Interviewed on Talks

PA2904040091 Hamburg DPA in Spanish 2030 GMT 28 Apr 91

[Report by Theo Peters]

[Text] Mexico City, 28 Apr (DPA)—Gaspar Ilom, one of the top leaders of the Guatemalan guerrillas, is convinced that 30 years of armed struggle to change his country's reality have not been in vain now that the government and the insurgency have finally agreed to seek a peaceful solution to the domestic conflict.

"I reflect on my people's struggle. I never lost hope," said the rebel commander during an interview with DPA. He was evidently pleased with the results of the first dialogue with delegates of the government of President Jorge Serrano, a dialogue that concluded with agreements in the Mexican capital last weekend. However, "it is only a first step, the war has not ended, but has opened a path to negotiation," Ilom said in commenting on the commitment made by the government and the Guatemalan National Revolutionary Unity (URNG) to negotiate "as soon as possible" the signing of a "firm and lasting" peace agreement.

He categorically maintains that the negotiations were made possible by the insurgent struggle, which he joined in 1962 until climbing, 20 years later, to one of the top positions of responsibility within the guerrilla movement, in the capacity of member of the General Command of the URNG, which is comprised of four rebel organizations.

Gaspar Ilom, whose real name is Rodrigo Asturias, son of Nobel laureate Miguel Angel Asturias, denies that the guerrillas were forced to come to the negotiating table because of military weakness or political isolation both inside and and outside Guatemala.

"We have a military presence in 14 of 22 departments in the country and our operations today are more numerous than five or six years ago and are also larger and more complex, because we have clashed with Army units of more than 5,000 men."

The veteran URNG leader, whose physical appearance reminds one more of a complaisant university professor than of a rebel leader, admits that the guerrilla strategy has changed over the past years as a result of what he calls "a greater accumulation of political and social forces around a national project that aims to transform Guatemalan reality."

"We have matured," Commander Ilom said. He added that this evolution does not stem from the worldwide crisis of socialism. "That crisis does not affect the URNG internally. Our mistakes and successes are exclusively our responsibility," he insisted after pointing out that his organization "does not have a strictly Socialist project" for Guatemala.

According to the leader of the Revolutionary Organization of the People in Arms (ORPA), which is an URNG member, this movement has its own characteristics and wishes to be part of a "broad popular alliance" made up of "all progressive forms of expression."

Contrary to other revolutionary processes, "the Guatemalan struggle has not closed but opened us up," said Gaspar Ilom, who added that he is convinced that there is a favorable disposition toward peace in Guatemala in the political arena.

However, he believes that "we must be very objective and realistic" in analyzing the perspectives for peace negotiations, because "what is at stake are the real social and economic problems of Guatemala, problems which cannot be solved overnight."

He adds that "it is not good to speculate" on the real disposition of the government and Armed Forces toward complying with commitments made in Mexico. "We have signed two agreements to negotiate. We must assess this by its face value. If there is goodwill on the part of the government, we will respond with goodwill," Ilom pointed out. He confessed that in his nearly 30 years of insurgent life he has experienced "very difficult political and personal moments," however, "I have never felt desperate."

Nicaragua

Presidency Pressured To Retain Police Chief

PA2604193891 Managua Radio Ya in Spanish 1100 GMT 26 Apr 91

[Text] The dismissal of Commander Rene Vivas Lugo as national chief of police has been revoked. Reports indicate that the government, under pressure from sectors that are seeking to increase repression of the workers, had decided to replace Commander Vivas. The post was to be occupied by Jose Pallais, the current deputy minister of government.

It has been learned that Government Minister Carlos Hurtado requested Vivas' resignation earlier this week. Hurtado arranged for Commander Vivas to be replaced, but the order was revoked by the Presidency in view of the reaction generated by the announcement of the dismissal.

On learning of the government's intention, many people made calls of support for Commander Rene Vivas over Radio Ya, demanding that he remain at the head of the National Police.

Police Support Vivas

PA2704043591 Managua Radio Ya in Spanish 0030 GMT 27 Apr 91

["Communique" by the National Police Council and chiefs of agencies and regions of the Government Ministry issued in Managua on 26 April—read by announcer]

[Text] The National Police Council and the chiefs of agencies and regions of the Government Ministry, after meeting on 26 April to discuss and evaluate reports about the government's intention to dismiss Brigade Commander Rene Vivas Lugo as national chief of police and to appoint Jose Pallais in his place, state the following:

1. We have decided to publicly express our support for the leadership and work carried out by Brigade Commander Rene Vivas Lugo as national chief of police.

2. The police have played a relevant role in the national efforts to maintain peace and social stability, guaranteeing compliance with the Constitution and laws, duly obeying the proper authorities, and safeguarding public order and security for all Nicaraguan citizens.

3. We reiterate our commitment to the transition agreements signed in March 1990, which have been the basis for the stability we are building. Among other things, those agreements established respect for the ranks, roster, and commands of the nation's defense and police forces. Violation of those agreements is harmful for the concerted efforts within Nicaraguan society.

4. We advise our forces throughout the country that we have sent a note to Government Minister Carlos Hurtado asking him to act with the urgency that the case demands to officially and publicly ratify Brigade Commander Rene Vivas Lugo as national chief of police, and to express his willingness to respect the transition agreements as well as the Government Ministry's Organic Law.

Managua, 26 April 1991

National Police Council and chiefs of units and regions of the Government Ministry.

Regiment Commanders Juan Jose Ubeda, Fernando Caldera, Christian Pichardo, Luis Chavez, Manuel Calderon, Jose Figueroa, Marcelino Guido, and Luis Guzman.

Commanders Alvaro Guzman, Elvin Cordero, Carlos Vasquez, Hector Sevilla, Rene Orube, Lionel Espinoza, Francisco Hurtado, Roger Ramirez, Julio Rugama, Mario Sotomayor, Roger Mayorga, Saul Alvarez, Eduardo Cuadra Ferrey, Francisco Cuadra, Orlando Aguilera,Roger Cabezas, Luis Enrique Rodriguez, Gerardo Arce, Elionor Arrocha, Christian Munjia, Eleonor Gutierrez, and Javier Lopez.

Subcommanders Alberto Vasquez, Donald Escanpini, Amy Gurdian, Gustvo Nunez, Aminta Granera, Miguel Campos, Manuel Lesama, Ana Julia Guido, Johnnie Mua, Pedro Aguilar, Felipe Escobar, Guillermo Vallecillo, Javier Palacios, Carlos Palacios, Francisco Bautista, Sergio Caceres, Javier Davila Rueda, Julio Gonzalez, Roberto Gutierrez, Enrique Rivera, Ernesto Zamora Chavez, Ervin Sandino, Miguel Del Valle Lopez, Javier Abud, Roberto Gonzalez, and Roger Ramirez Guzman.

Captains Luis R. Canas, Luis Munoz Morales, Alberto Castillo, Alejandro Sebanco, Clarence Silva, Maria Cecilia Seller, Hardiel Arteaga, Iglia Echeverri, Vilma Reyes, Rene Calero, Concepcion Aldino, Jose Guevara M., Freddy Estrada S., Carlos Malepin, Ricardo Bird, and Juanita Bulkins.

First Lieutenants Mario Aviles, Ervin Romero, Armando Espinoza, Esteban Guido, Mauricio Rojas A., Juan Martinez, and Mirna Fabri.

Lieutenants Guillermo Zavallos and Elio Martinez Leon.

Removal Would Violate Accords

PA2904041191 Managua BARRICADA in Spanish 27 Apr 91 pp 1, 12

[Text] Former President Daniel Ortega charged on 26 April that the government's attempts to remove current Police Chief Brigade Commander Rene Vivas constitutes a violation of the Transition Agreements.

"The situation has not been totally solved," the former president told local and foreign newsmen.

"Actions such as this one only serve to sow uncertainty, anguish, and insecurity. We hope this step will not be taken, as the government indicated," he added.

Regarding the bills submitted to the National Assembly by two Conservative Party factions to repeal Laws 85 and 86 and ignore the agreements already made on the right of ownership, Ortega stressed that the Sandinist National Liberation Front [FSLN] rejected what it described as "destabilizing actions."

One year into the new government, political stability in Nicaragua has not been secured, said the FSLN coordinator. The attempt to remove Commander Vivas "threatens the country's stability, and our stance toward the government has been categorical: We reject that sort of action, which violates the Transition Agreements at a time when the country demands great calm and greater efforts to achieve a minimum of stability," Ortega remarked.

During a news conference, Ortega charged that the attitude of taking political revenge still exists and that

destabilizing plans are being promoted, such as the attempt to return properties to members of the ousted dynastic regime of the Somoza family.

Ortega noted his great concern over "the content in the messages by President" Violeta Chamorro, whom he accused of going to the United States to ingratiate herself with the government of that country and of returning to Nicaragua "to insult, slander, and attack those Nicaraguans who eased her accent to power."

Ortega added that Chamorro "is acting in a revanchist and unchristian spirit," and said she should set the example "with the speech on national reconciliation." [as published]

Many government actions are harming the interests of the workers and the poor in the fields of health and education owing to the increase in unemployment and the rising cost of lving, the former president remarked.

Ortega said the FSLN supports the demand of landless peasants, former Nicaraguan Resistance fighters, rural workers, and discharged soldiers to "own a piece of land." Ortega said that U.S. congressmen calling President Chamorro, asking her to return properties to Somozists and large landowners, "is a clear meddling in our affairs." "If those people want land, let them buy it because they have money," he said.

"We do not support attempts to take land away from the peasants of the Farm Workers Association (ATC), peasants who went over to the contras, or the comrades discharged from the Army," he added.

"We hope the government will not yield to those pressures so the uncertainty and insecurity the country is experiencing can be overcome," Ortega noted.

That situation, he added, affects production and the national economy because tensions are rising as the 1991-92 agricultural cycle is to begin.

The former president warned the Sandinist deputies appointed to a congressional commission to study the aforementioned bills and not to participate while the agreements the government made with the FSLN and the people go unrespected "so that the property system is remains unaltered."

"Should these laws be passed by the full National Assembly, we hope the government will veto them. The FSLN could not be an accomplice of those policies that destabilize the country, and our presence in the National Assembly would no longer make sense."

Regarding the upcoming FSLN congress, Ortega announced that the current party leadership fully supports expanding the new directorate that may emerge from the elections, but he did not give the number of members. "We feel this is important, and having elections with the spirit of expanding the FSLN National Directorate will enrich this process that will culminate in July," he stated.

Near the end of the news conference and in reply to a question from a Nicaraguan journalists working for UPI, Ortega said he will "not leave the house I am living in," as Chamorro suggested. He said his decision basically seeks to prevent a loss in the morale of the masses, since "people would think that if the former president gets chased out of his home, why should that not happen to me?"

He explained the former owner of that house, Jaime Morales, a banker who had ties to the Somoza regime, had acquired the property in an irregular manner because "he lent himself one million pesos from the bank" to purchase it. "This house was left in the hands of the bank, and then I moved in. I am the owner now. Mrs. Chamorro wants to evict me from my house, and that is an act of revenge," he stated.

Police Headquarters Fired On

PA3004003891 Hamburg DPA in Spanish 0009 GMT 30 Apr 91

[Text] Managua, 29 Apr (DPA)—Eyewitnesses have reported that this afternoon unidentified individuals opened fire on the police headquarters in Managua, located on the widely used northern highway. There were no casualties.

A light-colored Lada automobile with no license plates quickly passed in front of the building while the riders fired machineguns, presumably AK-47's, that hit the walls of the Ajax Delgado Headquarters. Several policemen searched the vehicle.

At about midnight on 26 April, unidentified people fired approximately 20 shots from an AK-47 against the facade of La Cabana Restaurant of the Intercontinental Hotel where President Violeta Chamorro was at the time.

The president said she was not frightened by the shots. One person was slightly injured, and according to the reports, the police are searching for the occupants of a van who are believed to be responsible for that terrorist attack.

Ortega Scorns Chamorro, Defends 'Right' to Home

PA3004034791 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 27 Apr 91

[Statement by former president Daniel Ortega in Managua on 26 April; from the independent "Extravision" newcast, directed by Manuel Espinoza, former information minister under the Ortega administration—recorded; broadcast in progress]

[Text] ...the landlords would evict us when we could not pay the rent; since we could not pay the rent, we were evicted. When I lived underground, the houses that I lived in were those of the peasants in the mountains and the poor people from the barrios. Those are the kind of houses I lived in. I was not born with a silver spoon in my mouth like Mrs. Chamorro. Chamorro made her

money at the cost of.... [changes thought] She did not pay for her stone house. That house was paid for by the workers, by those people who worked the farms her family had—[words indistinct] with the families of the large land owners—and by the LA PRENSA workers. That is where the Chamorro money comes from. This is not honestly earned money, it is dishonestly earned money. Mrs. Chamorro has not worked and sweated like everyone else. She has become rich, built houses, and all that, at the cost of others. Therefore, and because of the commitment I have with the poor and destitute, I am not going to leave the house. Furthermore, I own that house. That house belonged to a man by the name of Jaime Morales. He was a banker who borrowed 1 million pesos from the bank to buy the house. The house later ended up in the hands of the bank. Some time later I came to live in this house and have lived here all these years. This house, therefore, is mine. I had never had my own home and I believe I have a right to have my own home.

Sandinists Threaten Withdrawal From Assembly

PA2804014291 Panama City ACAN in Spanish 2311 GMT 26 Apr 91

[Text] Managua, 26 Apr (ACAN - EFE)—Former President Daniel Ortega warned today that the Sandinists will withdraw their 39 deputies from the Nicaraguan National Assembly if a bill that calls for forcing the Sandinists into returning property seized from the Somozists is introduced for debate by the Assembly.

The top leader of the Sandinist National Liberation Front [FSLN], the most important opposition party, has described this bill as a "plot" against the country's stability. The initiative was presented to the National Assembly by the National Opposition Union. It is aimed at reviewing the acquisition of properties prior to 25 April 1990.

Ortega accused U.S. senators, whom he did not identify, of "pressuring" Nicaraguan President Violeta Chamorro into returning properties to "Somozists and large landowners."

The former chief of state, who would have to move from the house where he has lived for 10 years if the bill is passed, has categorically stated: "I will not move" from this residence. The house was confiscated from "Somozist banker" Jaime Morales Carazo.

Ortega revealed that even the Mexican Government, through its embassy in Managua, is pressuring President Chamorro into forcing him out of that property because Jaime Morales is married to a Mexican woman.

The Sandinist leader has said he will not abandon the house where he resides because, if he does, it would be like "telling" the government to expell "thousands of poor people" from the land and houses "given to them by the revolution." In an interview published in the last issue of the pro-Sandinist EL SEMANARIO, Chamorro said that "if (Ortega) is an honest person he has to vacate that house."

The distribution of houses and lots by the Sandinists from 23 February to 24 April 1990 has been dubbed by politicians who back the Chamorro administration as "the Sandinist pinata (gift)."

Madrid Daily Interviews Vice President Godoy

PM3004092591 Madrid DIARIO 16 in Spanish 20 Apr 91 p 10

[Interview with Vice President Virgilio Godoy by Ximena Marin in Managua; date not given]

[Excerpt] [passage omitted] [Marin] There are those who say that you would like to hold the president's post.

[Godoy] These are rumors. I will try to do so in due course, when Dona Violeta's term is over. In fact I am not desperate to hold the presidency of the Republic; so much so that I am content here in my office, which I have had for many years and which I am still using as usual. Many things are said, but all that is true is that I have the patience to wait until the proper time.

[Marin] That is, you will run as your party's candidate in a future presidential election in Nicaragua.

[Godoy] Well, if my party so wishes. The next constitutional elections will take place in 1996, but I have the impression that they will be earlier.

[Marin] What is happening to the contras? Have they completely demobilized?

[Godoy] If by demobilization you mean military demobilization, it would have to be accepted that this is indeed what has become of the Army of the Nicaraguan Resistance. The government can testify to this.

[Marin] What is the current situation in Nicaragua?

[Godoy] Our economic situation is certainly very delicate—perhaps even more delicate than it was last April—particularly as regards unemployment and the cost of living. However, it might be pointed out that this is basically a legacy of the (Sandinist) front regime, which, in addition to destroying the country's economic infrastructure, finally looted the little that was left at the end of its administration, 25 April 1990. I hope that now, with the EC agreements, the situation will start to improve.

[Marin] Are you not being unfair to the Sandinists?

[Godoy] In the first place, they are not Sandinists; second, they are a violent, belligerent, and undemocratic minority; third, fortunately, there are fewer of them each day.

[Marin] Everybody knows that the previous U.S. Administration and, in part, the current administration, contributed to the economic hounding of Nicaragua.

[Godoy] Well yes, insofar as there has been a confrontation with other foreign interests.

[Marin] What role do the contras play now?

[Godoy] I believe that they are busy surviving while achieving implementation of the agreements which they reached with the government to effect their complete rehabilitation in civilian and working life.

[Marin] So what steps should be taken to achieve peace in Central America?

[Godoy] Steps such as those which brought about the Esquipulas peacemaking process, assisted by international and regional bodies.

[Marin] What importance do you attach to the Spanish mediation in the plans for peace in the region?

[Godoy] In the case of Nicaragua, the Spanish Government is partially financing the reduction of the Armed Forces. I believe that this is a valuable initiative which could well become a Spanish operation for the Central American region. In my opinion, peacemaking depends on disarming and demobilizing the current military forces, and this strengthens the prospects of democracy, which is an essential factor for the consolidation of stable and lasting peace. This is what we have now argued at the San Jose conference.

[Marin] How could the celebration of the 500th anniversary [of the discovery of the New World] help intensify relations between Spain and Central America?

[Godoy] The anniversary is a magnificent opportunity for Spain's final reconciliation with Spanish America. The cooperation ties should go beyond 1992 and be treated as a plan for the development of the Central American subregion in the economic and cultural fields. Spain has a great deal to offer to the Hispanic world, but even more to Central America.

Panama

Former Officers Leave for Guatemala 27 Apr

PA2904175091 Panama City LA PRENSA in Spanish 28 Apr 91 p 1a

[Report by Manuel Alvarez Cedeno]

[Text] Two former officers, one from the now defunct Panama Defense Forces and the other from the Public Force, both of whom participated in last year's police rebellion and had remained as refugees in the Guatemalan Embassy in Panama City for more than four months, flew to Guatemala early yesterday morning.

A police officer, who asked not to be identified, yesterday confirmed to LA PRENSA the departure of former officers Jorge Bernal and Eliecer Ocana, who sought refuge at the Guatemalan Embassy after the aborted December police rebellion headed by Colonel Eduardo Herrera, who is now detained at Naos prison in Flamenco Island at the entrance to the Panama Canal.

"I think they left before dawn because they were no longer at the Guatemalan Embassy at 0800 yesterday when I arrived there," the police officer said.

LA PRENSA learned that Bernal and Ocana left aboard a TACA airlines flight. An attempt was made to locate Foreign Minister Julio Linares, but someone at his home reported that he was out. In addition, the two telephone numbers at the Guatemalan Embassy always registered a busy signal.

Former Captain Bernal is accused of having led the antiriot Doberman Company when one of its members killed construction worker Yito Barrantes, who participated in a demonstration against Labor Code amendments in 1986. Ocana participated in the police rebellion of December 1990.

According to an ACAN-EFE cable dispatch, Guatemalan Ambassador Hector Rosales Salaverria said that, prior to seeking asylum at the embassy, Bernal was acquitted on two charges because "none of the charges against him was ever proved."

According to this same dispatch, the ambassador said he gave every opportunity to the Panamanian Government to issue safe-conducts but that documents proving the charges against Bernal were never presented.

During the past month, local media have been discussing the possibility of issuing safe-conducts to military members and civilians who had sought refuge at several Latin American embassies, including followers of ousted General Manuel Antonio Noriega who are staying at the Peruvian, Cuban, and Mexican Embassies.

On several occasions, Barrantes' mother expressed disappointment over the possibility of granting a safe-conduct to Bernal, whom she described as her son's murderer.

Although Panama maintains that Noriega's collaborators are common criminal offenders, the countries in whose embassies these collaborators sought refuge regard them as being politically persecuted.

Deal With PRD Denied

PA2904184091 Panama City LA PRENSA in Spanish 28 Apr 91 p 1-A

[Report by Zoila Rodriguez Jovane]

[Text] Foreign Minister Julio Linares has said that if the concession of safe-conducts turns out to be part of any "arrangements" between the government and the Democratic Revolutionary Party [PRD], that would be his "last day as foreign minister," because such a situation would conflict with his personal views.

Top PRD leaders have proposed that Guillermo Endara's government grant political amnesty to the

collaborators of deposed General Manuel Antonio Noriega who have sought asylum at several Latin American embassies, and that it release those who are under arrest at various local jails.

Linares said that even though the amnesty requested by the former followers of the military regime does include the granting of safe-conducts to common criminals who have sought refuge at foreign embassies, and these safe-conducts must be granted by the Foreign Ministry, the decision "will have nothing to do with any arrangements with the PRD."

"I can guarantee that," said the foreign minister, adding that if necessary he would even resign from his post if his opinions prove incompatible with the government's.

Linares stressed that he "must clearly establish" that the position he will adopt in determining whether or not to grant safe-conducts "has nothing to do with negotiations" because, in his opinion, the situation "is not negotiable."

He added that the Panama Canal treaties are not negotiable either, and that as the head of the ministry that must deal with the task he will insist on the treaties' fulfillment because it is his duty to do so "and not because the PRD tells me to."

Endara Denies Deal

PA2904231491 Panama City LA PRENSA in Spanish 29 Apr 91 p 1

[Report by Zoila Rodriguez Jovane]

[Text] President Guillermo Endara has categorically denied that the safe-conducts granted to two former officers who sought asylum at the Guatemalan Embassy were the result of a pact with the PRD [Democratic Revolutionary Party]. He said that the decision was based on stipulations of the 1954 Caracas Convention.

Former Captain Jorge Bernal and Eliecer Ocana left for Guatemala City after being at the Guatemalan Embassy for four months. Both had participated in a military rebellion headed by Colonel Eduardo Herrera (R), which was put down by U.S. troops on 5 December 1990.

President Endara admitted that as head of the government he did not like having to extend safe-conducts to two men who are accused of plotting against the democratic state. However, he added, citizens must try to understand the government's decision.

"I did not like it either, but international laws are clear and they say that anyone who commits a political crime has a right to asylum, and that the territorial state (Panama) must grant them safe-conducts," Endara added.

The PRD has proposed that the government declare amnesty to free the friends of the military regime who are currently under arrest and that it grant safe-conducts to collaborators of deposed General Manuel Antonio Noriega.

Endara said, without naming names, that the situation of the four other political refugees who are currently under the protection of the Peruvian, Mexican, and Cuban embassies and accused of committing grave crimes "is under study."

Endara said that although the PRD document was addressed to the national government, he received it late. He also noted that "there is very little room for agreement."

He added that the only point of agreement is the first point, which says that the Panama Canal Treaties must be thoroughly complied with. However, he stressed that there is total disagreement with the rest of the points.

"They are not in favor of Panamanian justice, they do not want criminals accused of (common) crimes to face trial. They want us to pardon all those individuals. I do not agree with that, neither do the Panamanian people," Endara said.

Polls Reveals Negative Rating for Endara

PA3004012091 Panama City EL PANAMA AMERICA in Spanish 23 Apr 91 p 8C

[Report by Lucas R. Aleman H.]

[Text] The opinion Panamanians have of President Guillermo Endara Galimany's performance has become negative in the past months, according to a national opinion survey take by CID-Gallup exclusively for EL PANAMA AMERICA.

The survey showed a marked decrease in the rating of President Endara's work, 30 points from October 1990 to March 1991.

The poll also indicated Endara's negative rating is higher than the positive rating.

The survey showed that 22 percent of the Panamanians interviewed feel that Endara's work is positive; 25 percent think it is negative; and 47 percent believe that it is "neither good nor bad."

Those who feel their economic situation has improved rate the president's performance as positive. The poll was taken from 19 to 26 March, and 1,207 persons from all over the country were surveyed.

Banking Commission, Attorney General Reach Accord

PA3004030491 Panama City EL SIGLO in Spanish 29 Apr 91 p 12

[Report by Aneldo Arosemena]

[Text] According to a criminal indictment that the U.S. District Court is handling for the Georgia northern district, the Atlanta division with which Pablo Escobar Gaviria, Jorge Ochoa Vasquez, and the Panama branch

of an international bank currently operating on 50th Street in Panama City were involved, the Medellin cartel has laundered more than $2 billion through Panamanian banks in an operation that lasted two years and was known among drug traffickers as "The Mine."

According to the DEA, covert agents got in touch with the people who transacted the transfer of money, which originated with the sale of drugs to several banks operating in Panama. This DEA operation, known as "Polar Coat," which was aimed at finding money laundered by the Medellin cartel, ended in February 1989 when a Panamanian bank refused to continue receiving dirty cash deposits because the manager of its Cali branch reported that the bank was suspected of money laundering.

The first part of this DEA international operation, which revealed the linkage between international banks and "The Mine," ended 26 months ago. These banks were used to move money of the drug trafficking mafia through the Panama branches of the Continental Bank, International Chase Manhattan Bank, Citibank National Association, Bank of America, Republic National Inc., Marine Midland Bank, and Citizens and Southern National Bank.

The controversial topic of the usage of the Panamanian banking center for money laundering has surfaced again because of remarks by Michael Kozak, principal deputy secretary of state of Inter-American affairs, who said that drug trafficking and money laundering have reached the same levels that existed when Manuel Antonio Noriega was in power 16 months ago.

In addition, Senator John Conyers, who heads the U.S. Senate's Legislation and National Security Subcommittee, said that the drug trafficking problem has increased despite dictator Noriega's fall. "The dictator who dealt with drugs has fallen, but new drug dealers have taken their place."

Nevertheless, local authorities, headed by Guillermo Ford, planning minister and second vice president, have denied the money laundering charges made by the U.S. Government. Ford has even said that any bank found to be laundering money will be closed down immediately.

"This sort of accusation never formally reached the Attorney General's Office or the National Banking Commission [CBN]," said its Executive Director Ernesto Boyd, referring to the charges of money laundering that have been levied against the Panamanian banking system.

"Although we are not an entity that investigates offenses, we were never given any information about banks being involved in illicit activities," Boyd added.

He also noted that on 22 April the CBN held a meeting. Attorney General Rogelio Cruz attended as a special guest along with the secretary general for narcotics of the Attorney General's Office. As a result of the meeting, agreements were reached a few days later between the Attorney General's Office and the CBN. These agreements, contained in a memorandum, called for "prevention efforts" against operations to launder money from drug related offenses.

"Basically," Boyd said, "the memorandum states that the Attorney General's Office and the CBN will join efforts, and although these two entities will remain autonomous and independent, they will work together to fight money laundering more seriously in our country," Boyd noted.

To conclude, we know that an Atlantic district court has been handling a case since March 1989 involving eight Colombians and two Panamanians defendents and a Cali bank and its Panama branch.

Argentina

Menem Discusses Postponement of Elections

PY2904174091 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 29 Apr 91

[Relay from La Pampa by Daniel Luchelli]

[Excerpts] Argentine President Carlos Saul Menem ruled out any connection between the decision to postpone the elections and the evolution of Economy Minister Cavallo's plan, which he labeled the administration's economic plan. He explained that the postponement of elections was prompted by the need to get the lists of voters in order and thus prevent further problems. In response to questions from journalists during an impromptu news conference at the residence of the La Pampa governor on Saturday, President Menem said that there will be no more cabinet changes and expressed great optimism in the fate of the economic plan. [passage omitted]

[Begin recording] [passage omitted] [Unidentified reporter] There has been a lot of speculation about the postponement of the elections. What is the truth?

[Menem] The truth is that the elections were postponed to enable us to put the lists of voters in order to avoid last-minute problems in certain provinces. This is the main reason for the postponement. It also proves that we are not speculating with the success of the new economic plan, which is a long-term plan that was not devised merely for electoral purposes. As can be expected, most of the protests against this postponement have come from the Radical Civic Union. [end recording]

Mid-Term National Elections Scheduled 27 Oct

PY2704013291 Buenos Aires BUENOS AIRES HERALD in English 26 Apr 91 p 11

[From the "Argentina in Brief" column]

[Text] (NA-DYN)—President Carlos Menem yesterday officially confirmed that the mid-term national elections will take place on Sunday, October 27, instead of October 20. Interior Minister Julio Mera Figueroa explained that the date change was made to enable more people to vote because October 20 is Mother's Day. Economy Minister Domingo Cavallo was not involved in the decision, said Figueroa.

Election Maneuvering by Government Examined

PY2804213491 Buenos Aires BUENOS AIRES HERALD in English 28 Apr 91 pp 3, 4

[From the "Politics & Labour" column by Michael Soltys: "A Steel Fist and a Rubber Glove"]

[Excerpts] [passage omitted] What's in a date? If Vice-President Eduardo Duhalde is to be believed, [Economy Minister Domingo] Cavallo was also responsible for the week's main political event—the postponement of the election date. Apparently designed as a show of bravado to demonstrate that the Autumn Plan would not self-destruct in September, the move ended up being counterproductive since the original postponement from September 8 to October 20 proved impractical because of Mother's Day so a new postponement to October 27 had to be made (just to confirm the crack-handed impression it was announced that Monday, May 15 would be a national holiday for the census when of course May 15 is a Wednesday). The most immediate casualty of this fiasco was Interior Minister Julio Mera Figueroa, whose position became increasingly shaky and who now has no Salta gubernatorial candidacy to give him an elegant exit (Roberto Romero is candidate). But messing around with the election date did the precise opposite of giving the government a stable image or proving that the plan was not electioneering. Indeed the whole idea was so appalling that it is difficult to associate with the normally competent Cavallo (why gratuitously expose the 10,000-austral exchange rate to another month of pressure?) or indeed the politically astute Menem. Were there reasons other than those stated by Duhalde—for example, was the aim to give the Vice-President himself more time to dither about running for Buenos Aires governor? Or to give Catamarca trustee Luis Prol more time to clean up the province? Or a distraction from all the drugs and corruption scandals?

Certainly Menem's political acumen has been slipping recently—for example, last week he slipped back to his paranoid tirades against the Spanish press when the drug-traffickers he had blamed for the "campaign" against his family and government the previous week seemed a better target in both political and diplomatic terms. He was rather shrewder in joining the Catholic bishops against corruption last weekend and innocently pretending not to notice that his own government was included in the charges, rather than taking over the pulpit like Alfonsin against the late Army chaplain Miguel Medina (these accusations of corruption against Alfonsin at that time did not prevent the ex-president from subjecting Menem to increasing attacks on that score last week). Yet there is a case for Argentina doing the opposite of what Italy is trying to do at the moment: namely scale down rather than build up the scope of the presidency. [passage omitted]

Political trivia

The other main event in the political week was the Peronist primary in the Federal Capital last Sunday [21 April], of which we have yet to learn the results. City Mayor Carlos Grosso definitely took more than two-thirds of the vote but did he take more than three-quarters, which would entitle him to all the candidacies and party posts? The delay is suspicious. In any case, little more than 40,000 out of 188,000 card-carrying Peronists voted so that it seems to have been more the opposition's failure to rally the dissatisfied than a victory

for Grosso. Voter apathy is so widespread that in La Plata it was estimated that there are more registered party members than people willing to vote. [passage omitted]

Senate Elects President, New Vice Presidents

PY2604230091 Buenos Aires BUENOS AIRES HERALD in English 25 Apr 91 p 11

[Text] (NA-DYN)—Senator Eduardo Menem was re-elected yesterday as provisional Senate president. The brother of President Carlos Menem thus remains third in the presidential line of succession. In turn, Luis Brasesco (Radical-Entre Rios) and Juan Aguiree Lanari (Liberal-Corrientes) were elected as first and second vice presidents of the Upper House, replacing Hector Velazquez (Radical-Misiones) and Jorge Solana (Popular Movement-Neuquen). Justicialist bloc leader Alberto Rodriguez Saa (Peronist-San Luis) described Eduardo Menem as "our best colleague," adding that the party chairman "has carried out a brilliant task" in the Senate.

Chamber of Deputies Swears In Deputy Ferradas

PY2604015491 Buenos Aires LA PRENSA in Spanish 25 Apr 91 p 8

[Summary] The Chamber of Deputies yesterday administered the oath of office to Miguel Enrique Ferradas, representative of the Catamarca Province Popular Movement. Ferradas replaces former Justicialist Party Deputy Angel Luque, who was expelled for reasons well known to all.

Journalist Appointed Communications Secretary

PY3004012291 Buenos Aires BUENOS AIRES HERALD in English 29 Apr 91 p 1

[Text] (DYN)—The government officially announced that President Carlos Menem yesterday appointed journalist Raul Horacio Burzaco as new Media Secretary.

Burzaco will take office today or tomorrow, but this has still to be arranged with him, the official reports pointed out.

Raul Horacio Burzaco is a former editor of the local dailies Tiempo Argentino and El Cronista Comercial.

Central Bank Chief Discusses Debt Situation

PY2904222491 Buenos Aires BUENOS AIRES HERALD in English 29 Apr 91 p 3

[Interview with Central Bank President Roque Fernandez by Mario del Carril in Washington on 27 April]

[Text] Buenos Aires Herald: What is your approach to the bank's demand for more cash?

Roque Fernandez: Our approach is beneficial for us and should be beneficial for the banks. We have already proved (in 1989 and 1990) that we have in place a strongly aggressive debt equity swap programme of privatization. These programmes do not leave us with an important amount of cash on hand to deal with the debt, so we are offering the banks real assets.

Furthermore, these programmes are not just designed to improve the debt situation, they are also designed to invigorate different sectors of the economy. Capitalization increases the level of technological competence, through the introduction of new administrative and human resources.

This is the best approach for Argentina, and I hope it will be good for our creditors. Because we do not want to pay our creditors so they can get out of Argentina, we want them to stay and do business with us.

BAH: So you do not want to pay the creditors with money, but rather with real assets, and this will permit you to carry out structural reforms that will increase the value of this type of payment in time?

RF: The amount of money we can offer the banks is almost what we are presently paying: 60 million dollars a month. Given our budget situation, and the tax administration procedures we are introducing, it is very difficult to generate immediately a lot of cash.

BAH: You also need cash for other purposes: for example, to maintain the stability of the currency.

RF: Sure, we need cash for that, and to address social problems in terms of salaries and pensions, whose value we want to maintain in real terms. In the past inflation was used for this purpose, since we no longer have inflation, we now must use genuine resources.

BAH: Traditionally Argentina has run into trouble with the IMF because that organization criticizes the country's adjustment programmes from what appears as a purely technical point of view. What exactly is the connection between the banks' demand for cash payments, and the fund's technical requirements. Is there a connection?

RF: There is a connection. Because banks belong to countries, and, I imagine, banks naturally lobby government agencies and representatives in order to protect what they consider to be their interests.

Think about the role of international organizations a few decades ago. At that time it was in the general interest of the world economy and several important countries to move the global economy towards free trade. So when Argentina would discuss a programme with the IMF, the removal of trade restrictions was a very important part of the programme. Today the most important part of the programme hinges on the adjustment of the economy so it can be reintegrated with the world's financial system. The technical point of view takes into account these varying economic concerns.

BAH: This means that the fund believes Argentina should pay the banks with cash?

RF: It means that, and it also mean that the fund's objective is to normalize Argentina's relationship with its creditors.

BAH: Even though the IMF is a technical organization, are its technical analysis influenced too much by the needs of its most important clients?

RF: This is a leading question. I would rather say that there are several problems in countries that undertake fundamental structural reforms which a one-time frame analysis of the budget does not discover. These problems are what we call the inter-temporal budget constraints.

BAH: The dynamics?

RF: The dynamics. Because in the case of Argentina, when many fundamental reforms are undertaken and people are fired from the public sector and many public enterprises are privatized, money must be spent in this period to make sure the reforms work.

This requires a different approach to adjustment, than the one the fund has used in the past, when it was thought that perhaps one immediate tax measure could accomplish the goal of an adjustment programme. But the fiscal impact of structural adjustment measures place a different set of burdens on adjustment programmes.

I believe part of the staff is aware of the difficulty, I also understand the research department is looking at adjustment programmes from a long perspective. The IMF is usually dealing with shorter programmes, and the scope of our programmes is longer than what the transitory financing of the IMF requires.

I do not know whether this is a technical problem, a political problem, or something that requires a modification of the way the IMF operates. I think that, maybe, it is a little bit of everything.

BAH: How does our trade surpius figure in on all this.

RF: You know that our problem is that we have too many dollars from the trade balance.

BAH: And everyone wants those dollars.

RF: The government itself has had to introduce fundamental reforms in order to be in a sound fiscal position to buy dollars.

BAH: In the early eighties and the middle eighties the IMF was not too concerned how dollars were bought by the government to pay the debt. Now Argentina has made the point that it can buy those dollars in a way that will not bring on inflation and ruin the economy, by generating a fiscal surplus.

RF: Correct. That is part of the problem. But remember that in the past IMF programmes in a country produced a large devaluation, induced a tight fiscal policy and achieved a trade surplus. Well that is not a programme for Argentina. We have been achieving a trade surplus for the last several years. Our problems are not explainable in terms of a deficit trade account.

BAH: The third protagonist is the United States Government. What position does it take, if it takes any, with respect to Argentina's negotiations with the banks and the fund?

RF: I think the US has been either helping us, or in a neutral position. Remember we have been in office only two months, maybe, later, we will encounter difficulties. But in our meetings with undersecretary of the Treasury Mulford and Federal Reserve System Chairman Alan Greenspan we have simply been describing to them what we are doing, and they have asked some questions about how the process is going, and that is it.

BAH: I detect from your words, and from what Minister Cavallo has said, a certain element of self-reliance. Help is welcomed, but this programme will be carried out with, or without, external support because it is the only way to get the economy working.

RF: Yes that is totally true. It is even true with respect to the international organizations. Because we believe that the best way to get external help is to have a sound economic programme. And we have been working first of all on that front. If we have a good programme, I think we will be able to get help from everywhere. But we are not counting on external help to solve our problems, that is our own business.

We may engage in technical discussions, if one tax is better than another; if this tax is a neutral tax or not; we will try to cooperate with whomever is in the international world of finance or trade, but our programme will work independently of the external situation. Furthermore, what we have been doing is the right thing from the external point of view. Argentina has been reducing its stock of real debt.

BAH: What are the numbers?

RF: In 1989, the debt was about 63 billion dollars, that was reduced to 61 billion in 1990 and it is expected to be reduced to 60 billion in 1991.

BAH: Nominal values?

RF: Yes. This means that we are amortizing the debt.

BAH: What about arrears; are they counted in these numbers?

RF: They are counted. The issue of the arrears is an accounting, it is not a real issue.

BAH: It is like a forced refinancing?

RF: It is a forced refinancing. But notice even including arrears we are decreasing the stock of debt.

BAH: Let me not take more of your time. Thank you for the interview.

Samudio Godoy Sworn In Senator for Formosa

PY2704150691 Buenos Aires LA PRENSA in Spanish 25 Apr 91 p 8

[Summary] Wilfrido Samudio Godoy was sworn in 24 April as new national senator for Formosa Province for the Justicialist Party. He replaces Emilio Tomas, who died recently.

Editorial Examines Tax Payments by Companies

PY2704013691 Buenos Aires BUENOS AIRES HERALD in English 26 Apr 91 p 10

[Editorial: "Skidding Tyres"]

[Text] In the first month of his Autumn Plan, Economy Minister Domingo Cavallo seems to have been running repeatedly into the conflict between clear rules for businessmen and the needs of his plan. The first example was his initial suspension of highway tolls although he has since decided that scrapping the contracts is neither politically nor fiscally feasible—to the point where he threatened to bring the full weight of the police to bear against protesters. Then he decided that the Autumn Plan's elimination of index-linking superseded the provisions to that effect in the terms of the privatization of the telephone system, pressuring the two telephone companies to reduce their charges. And now Cavallo is pressuring Firestone to pay 100 million dollars taxes in alleged arrears, a sum which is more than four times the tyre and rubber company's net worth according to Firestone.

The Tax Bureau (DGI) claim being pressed by Cavallo is not an idle invention but a highly complex issue involving the nebulous "fiscal credits." These are in turn partly a mechanism to provide tax rebates in order to encourage exports and foreign investment, partly a way of registering the refund of value-added taxation (IVA), which is more notional than real. The issue is further complicated by the fact that one billion dollars of these fiscal credits were distributed by the Koner-Salgado company to some 100 companies until Hector Salgado was arrested for massive tax fraud and evasion. Thus the problems now facing Firestone are potentially shared by both leading cigarette firms, Perkins, Shell and many other major overseas companies. It is thus not only extremely hard to establish whether there was tax-dodging in the first place or whether yesterday's tax break has become today's evasion because the DGI needs to close the fiscal deficit fast—even if the fiscal credits were out-and-out evasion, it is difficult to say whether Firestone and the other companies are guilty or whether they have been duped by Koner-Salgado.

If these companies are now caught between an unreliable local partner on the one side and a voracious Treasury on the other, as seems likely, the prospects for future overseas investment are bleak indeed. Cavallo's plan has many things going for it in its first month—an almost miraculous fiscal surplus, price reduction agreements, lower inflation and interest rates, even Roberto Alemann's ingenious suggestion to use the idle money of statutory reserve requirements to pay the foreign debt—but if foreign investors cannot trust in their local partners or inconsistent taxation, an important leg of the whole plan goes missing, especially if overseas credit is vital to balancing the reserves and money supply. The government must find a mechanism to reassure investors that tax holidays are not ultimately spent in jail.

Duhalde Criticizes Steel Company Layoffs

PY2704012291 Buenos Aires BUENOS AIRES HERALD in English 26 Apr 91 p 11

[Text] Vice President Eduardo Duhalde yesterday described the authorities of Acindar steel company as "intolerant." He said their decision to dismiss some 3,600 workers was "a form of exercising class hatred."

"Workers cannot be treated that way," said Duhalde. "This type of behaviour must be completely eradicated from Argentina."

President Carlos Menem yesterday ordered Labour Minister Roberto Diaz to carry out all possible efforts to solve the conflict, but the Acindar leaders remained intransigent in the face of mounting government pressure.

Company president retired General Alcides Lopez Aufranc repeated that only some 2,000 workers would be re-hired eventually, and that for the time being "the company will not be able to face severance payments."

Meanwhile Acindar deputy manager for human resources, Luis Julio Averzano, said the plant in Villa Constitucion had been "virtually seized," with "picket lines preventing the entry and exit of people from the plant." He said many employees were trapped inside the premises.

"There is a complete lack of security and a series of threats," said Averzano, adding that "until the company can reorganize production schemes, it will not be willing to renew activities at the plant."

The company official explained that the police were unable to do anything to break up the protests and that Acindar's request for additional security was rejected through "orders from above."

Lopez Aufranc yesterday met Interior Minister Julio Mera Figueroa, who is mediating in the conflict, but no breakthrough in the dispute was reported. Aufranc continued to blame "the reduction of the market and export difficulties" for the drastic lay-off measure.

Duhalde admitted that "any businessman has the right to streamline his company, but there are ways of doing so without precisely putting the workers up against the wall," he insisted.

In related news, UOM [Metalworkers Union] metal workers were granted a pay hike of 40 percent taking their minimum wage to two million australs.

Withdrawal From Nonaligned Movement Considered

PY3004010291 Buenos Aires BUENOS AIRES HERALD in English 29 Apr 91 p 7

[Text] (NA-DYN)—Argentina could break off from the Movement of Non-Aligned Countries (MNAC), according to a report carried by the Buenos Aires daily CLARIN yesterday quoting diplomatic sources.

The move, allegedly promoted by Foreign Minister Guido Di Tella—an enthusiastic and staunch supporter of US policies, particularly President Bush's still undefined concept of a "New World Order"—might be taken at the next MNAC meeting in August unless the traditional objectives of this organization of 102 UN-member states are reviewed and "updated" to agree with a new world scenario following the recent Gulf War.

If successful, the controversial step voiced by Di Tella during his recent European tour, would place Argentina as the first country in MNAC to withdraw from this organization since it was created by the initiative of Tito of Yugoslavia and the Egyptian Leader Gamal Abdel Nasser in 1956 as a reaction to a decade of Cold War between the then two superpowers.

Argentina joined the Non-Aligned movement in 1973 during Hector Campora's presidency and has participated in the organization's summits every three years, including Alfonsin in 1986 and Menem in 1989.

The report goes on to say the foreign minister brought up the issue at a recent cabinet meeting "with a view to lending more consistency to (the government's) foreign policy" by virtue of which the administration's priorities are "unconditional alignment with the United States and the relations with (our) neighbouring countries."

"The idea," Clarin states, "is to take up the issue with the (Argentine) Congress in order to rally support from legislators to materialize the move."

However, the initiative has immediately met with firm opposition from political parties.

Former deputy and current Secretary-General of Humanism and Liberation Party Augusto Conte sent a telegram to Di Tella demanding him to drop "projects of this nature ... until ascertaining whether they are endorsed by Congress and the citizens."

The same sources reported that the former legislator pointed out that "Argentina's integration to the non-aligned nations was decided upon by a government that enjoyed the widest popular backing" and "today all the nation knows that Menem's government does not represent the majority any longer and will be faced with a serious situation in next October's elections."

For his part, Christian Democrat Party chairman Angel Bruno was quoted as opposing the notion as "a pseudo-pragmatism which places (Argentina) under the thumb of the current powerful [as published] and surrenders its independence in exchange for bread crumbs."

Bolivia

Radio Station Restored to Workers Union

PY2704152891 La Paz Television Boliviana Network in Spanish 0200 GMT 27 Apr 91

[Text] Labor Minister Oscar Zamora Medina has commented on the restoration of Radio Excelsior to the Construction Workers Union.

[Begin Zamora recording] The radio station has played a role in orienting the labor and union movement. Today this legitimate right of workers is reasserted as President Paz Zamora has said. This marks a historic event because the restitution is made without any strings attached. It is made freely, and the radio station is fully restored to workers. The government covers the total cost of the radio station, as well as its authorization to operate. These resources were appropriated by the government a year ago and are returned today. We believe this is an effective way to pay tribute to the workers and especially to a man we can never forget, leader Adrian Arce, who, we can justly say, died by the radio with his boots on. He was on duty when the radio station was attacked, and he was murdered that day. So this is homage paid to the strength and determination of the Bolivian labor leader. I am very pleased that the president restored this right to the workers. [end recording]

Brazil

Collor Prepares Agenda for U.S. Visit

PY2904185691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Apr 91 Economic Section p 6

[Text] Brasilia—The Brazilian Government is interested in improving relations with the United States, seeking to secure support in the negotiation of the foreign debt. To that end, the Economy Ministry, the Foreign Ministry, and the Science and Technology Secretariat are preparing a list of issues pending between the two countries whose solution could pave an understanding between the two countries. This list should be ready before President Fernando Collor's trip to Washington on 18 June.

For about two hours on 24 April, Economic Minister Zelia Cardoso de Mello, Foreign Minister Francisco Rezek, and Science and Technology Secretary Jose Goldemberg analyzed the main issues that should be discussed by President Collor and President George Bush.

This preparatory work was ordered by President Collor who, according to a Planalto Palace source, is convinced that greater cooperation with the United Stated is needed. In Collor's opinion, closer relations are important, not just to conclude a more favorable foreign-debt agreement, but also to gain access to the so-called "sensitive technologies" that could set the country on its way to becoming a First World country.

During his visit to the United States, President Collor intends to show that although Brazil has not yet answered the main grievances of the U.S. Government, it has at least taken most of them under advisement. "We have a good letter of intent to present," observed one of Collor's advisers. Among the issues Brazil is interested in solving, the adviser cites recognition of pharmaceutical industry patents, nuclear agreement demilitarization, the end of domestic computer market protectionism, the renewal of the military agreement, and compliance with the safeguards required for the acquisition of supercomputers by Embraer [Brazilian Aeronautics Company] and INPE [National Institute of Space Research].

President Collor might also take in his briefcase the interest expressed by Brazil in the services of an American company to place in orbit the first Brazilian satellite next year. The government intends to launch the INPE-developed satellite before the World Environment Conference that will be held in June 1992 in Rio de Janeiro.

Neto Named New CGT Secretary General

PY2604024091 Rio de Janeiro O GLOBO in Portuguese 24 Apr 91 p 19

[Summary] Joaquim dos Santos Andrade, nicknamed "Joaquinzao," yesterday resigned the presidency of the General Federation of Workers, CGT, a post he held since the founding of the CGT in 1983. He will be replaced by Antonio Neto.

Aeronautics Minister Complains of Low Salaries

PY2704123291 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Apr 91 p 4

[Report by Brasilia correspondent Eumano Silva]

[Text] Aeronautics Minister Socrates Monteiro has distributed a document to all his subordinates saying that low military salaries are a threat to the fatherland's defense, which is the Armed Forces' constitutional mission.

The declaration was published in the 19 April issue of the Aeronautics Ministry's BOLETIM PERIODICO. Socrates says in the bulletin that "if immediate corrective measures are not taken" military "lives" will be at risk.

"A man with many financial problems does not work well; his performance deteriorates," Socrates said yesterday after decorating Economy Minister Zelia Cardoso de Mello with the Medal of Aeronautics Merit.

Cardoso's decoration occurs at a time when the military is awaiting a government decision on the new Law on Military Remunerations (LRM) that Jonas Correia, former Armed Forces general staff (EMFA) chief, submitted to President Fernando Collor a week ago.

Socrates says in BOLETIM that the Armed Forces will wait to see the "good sense of the authorities that rule over the destiny of our fatherland" when they approve the new LRM. That decision has to be made by President Collor and the government's economic team.

One change the military proposed to the LRM is the addition of compensations and bonuses to salaries. The military is also asking for more funds for medical and hospital assistance, housing, uniforms, funeral expenses, and disability.

Socrates says that the draft LRM was preceded by a request for a salary advance for the military. Any such advance to the military would have to be granted to civilian public servants as well.

"It is not my responsibility to speak about civilians, but today civilian and military servants are experiencing a very distressing situation," Socrates said.

Bank Issues New 10,000-Cruzeiro Bill

PY2904132291 Brasilia Domestic Service in Portuguese 2200 GMT 26 Apr 91

[Summary] The Central Bank today put into circulation the new 10,000-cruzeiro bill. The bill, which is mainly orange and gray, pays homage to Brazilian scientist Vital Brazil, who greatly contributed to fighting a cholera outbreak in Sao Paulo and the Paraiba Valley in 1893.

* Pinheiro on Congress' Image, 1993 Plebiscite

91SM0264A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Mar 91 p 8

[Interview with Chamber of Deputies speaker Ibsen Pinheiro by Joao Domingos and Marta Salomon, place and date not given]

[Text] Brasilia—Chamber of Deputies Speaker Ibsen Pinheiro (PMDB-RS) [Brazilian Democratic Movement Party, representing Rio Grande do Sul State] admits that the credibility of politicians today has hit at rock bottom. However, he says this situation is not limited to the legislature, but is true of all Brazilian institutions. According to Pinheiro, Congress has been the target of unfair attacks attempting to demoralize it and thus prevent it from participating in development of the "national understanding." He asks, "Why are other sectors of the state apparatus not suffering the same kind of exhaustive probe as the Congress is being submitted to?"

To the Chamber speaker, the hiring of a son-in-law of former Chamber Speaker Paes de Andrade (PMDB-Ceara State) and 13 additional technical advisers

without competitive examination ought not be criticized, because these positions fall under the High-Level Executive and Advisory (DAS) system, meaning they are regarded by Chamber leaders as positions of trust. He says, however, that a congressman who hires a relative in order to boost family income should be censured.

An advocate of the parliamentary system of government, Pinheiro favors advancing the date of the plebiscite now scheduled for 7 September 1993 to decide whether Brazil's system of government is to be parliamentary or presidential. And he thinks that the 1994 constitutional revision process will be a complicated one, since it will coincide with an election year in which the president, the governors, senators, and federal and state deputies will all be running for office.

The speaker is also in favor of changing the proportionality of the state delegations to the Chamber, which he feels was impaired by the April 1977 "package" of measures handed down by then-President Ernesto Geisel.

[O ESTADO] Why are the polls saying that the credibility of our politicians has hit rock bottom?

[Pinheiro] The low degree of credibility ascribed to political leaders is not an isolated phenomenon; it affects our institutions in general. If we look at polls taken recently, the institution that received the highest marks was the Postal System. If that can happen in a country where mail is late and letters do not reach their destination, imagine how things stand with other institutions, such as the press, television, and the armed forces.

[O ESTADO] Already during your term of office the Chamber has hired a son-in-law of former Deputy Paes de Andrade and 13 more technical advisers to the standing committees without holding a public competition. Does that serve to not tarnish the image of the legislative branch even further?

[Pinheiro] That was an injustice. All the cases you mentioned involve hiring people to fill vacancies in exempt High-Level Executive and Advisory (DAS) positions. If I need a journalist to advise me in my duties as speaker I hire him through the DAS, the total number of vacancies in which is controlled by the Court of Auditors. That journalist works with me as long as I am speaker, or as long as I want him to. The minute I leave office, he goes back on the street and the new Chamber speaker selects someone else.

[O ESTADO] The legality of the hiring, which is beyond question, is one thing. The issue of its morality is something else, and that is questionable. Is it not immoral to hire a relative, even if it is legal?

[Pinheiro] If a congressman appoints his wife to work in his office in a position of trust because she is capable, that is absolutely legal. But if he does it to boost his family income and she is not a professional, it is improper. It is legal—the speaker cannot block it. But it is censurable.

[O ESTADO] The Congress fought hard to gain its autonomy and has even succeeded in interfering with the federal government budget. But 80 percent of the proposals by congressmen and senators relating to the budget are aimed at helping their own constituencies. Was the purpose of that autonomy only to benefit the legislator?

[Pinheiro] A legislator represents voter strongholds. That is neither illegitimate nor illegal. That is not saying much. I am still a federal deputy, apart from my temporary status as speaker of the Chamber. I pay attention to my constituency. As a representative, I have to think of the interests of the nation as a whole. And I have to be alert to events out there on the western border of Rio Grande do Sul and reconcile them with the national interest as a whole.

[O ESTADO] Why is it taking so long to produce the regulations for the Constitution?

[Pinheiro] The regulation of the Constitution is a living process that cannot be accomplished without the participation of society. If it were merely a technical problem, we would hire 12 advisers, ask each of them to take one law every day, and in 12 days we would have a gloss (interpretation) of laws. But we would not have a law. We would have only some ink on paper. A law passes through an inexorable process of discussion with society. It must be "chewed over" for awhile. This is what happened with the strike law and the consumer protection code. Either one of those laws by itself is enough to justify a legislative session.

[O ESTADO] There has been a lot of criticism of the provisional measures—that there have been too many of them. But Congress has rejected very, very few. Does the legislature not bear its share of the guilt in the case of the provisional measures?

[Pinheiro] No one denies that Congress bears some responsibility. The first part is its responsibility as a Constituent Assembly, when it created the mechanism of the provisional measure without setting any limits, permitting the governments that would follow to use them as we have seen done. The other aspect is the inability to conduct a rapid preliminary review of the urgency, the importance [of a proposal]. We must remember that the president took office with an enormous degree of public support, while the Congress that came out of the Constituent Assembly was intimidated and exiled to the doghouse.

[O ESTADO] Why did that happen?

[Pinheiro] Because people tried to exclude Congress and the political parties from the process of determining the direction our country would take. You cannot exclude someone without first discrediting him. That is why the National Congress has suffered this brutal campaign to ferret out its defects—whether real or imagined. Why have other parts of the government apparatus not suffered a similar scrutiny? Was it necessary to discredit the

legislature in order to then call upon those deputies to sit down at the negotiating table?

[O ESTADO] Who was interested in demoralizing the legislative branch?

[Pinheiro] I am not interested in naming names. But I am referring to powerful sectors in the capital city, powerful associations representing public servants, and the parochial interests of the regions.

[O ESTADO] Will it be possible for the Congress, given its diminished credibility, to direct the process of reaching a "national understanding," as is planned?

[Pinheiro] A lot of faulty approaches have been made toward the "understanding." The most serious of these was to assume that on a certain day, certain persons would show up at a certain place and conclude an understanding for Brazil. As if the parties were going to meet and sign a contract. A democratic country is not like that. Actually, I would say that this general pact for Brazil has already been signed; it happened on 5 October 1988, with the promulgation of the federal Constitution. That is the national pact. As for the search for sectoral accords—that is a continuing practice in the life of a democracy.

[O ESTADO] Do you think the legislature should set some kind of minimum agenda for those sectoral agreements?

[Pinheiro] I do not think the legislature is the place to develop a government program. The administration, or the candidate for president, are the ones who should develop the government's program. The legislature is a pluralist body, full of conflict. We sing in unison here when they play the national anthem at some ceremony. But after the ceremony, everyone sings his own tune and speaks his own language, because this is a house of conflict. The language is Portuguese, but what is the wage policy? It is all a test of strength, a power game.

[O ESTADO] Are you not afraid that the understanding the Congress is seeking might fail, as was the case in the Executive Branch?

[Pinheiro] The understanding the Executive Branch attempted to achieve failed because it was too ambitious. It sought to reach an agreement on all the issues on a certain day. What is more, it excluded the legislature. The government selected both teams at the same time. It chose the players for both its team and the opponent's team.

[O ESTADO] What does the speaker of the chamber think of the administration's "Big Project"?

[Pinheiro] It is virtually a statement of intentions, but it does have a positive aspect. The president did not announce it in the form of a decree, nor is he planning to force it on us. He is calling on society to debate it. That is good, but it is not enough. My impression is that President Collor is going through a self-criticism of his first year in office, and the balance sheet for the first year of the Collor government is a negative one.

[O ESTADO] Does the idea of a "national understanding" include a defense of the parliamentary system?

[Pinheiro] Since I am a parliamentarian, I would like to see the understanding take that route. But this is a personal view. It is possible that parliamentarianism will not even make it onto the agenda of the understanding, due to resistance from other political leaders. The understanding must be reached on the basis of subjects that everyone wants it to cover. If, later on, everyone wants to change the system of government, I think we may well see such an understanding. Right now it is not an urgent topic. There are issues that have more priority. On the institutional plane, we need a basic political parties law and an updated elections code; on the social plane, a wage law; and on the economic plane, a law to govern the financial system.

[O ESTADO] Would adopting the parliamentary system entail a change in the Brazilian electoral system?

[Pinheiro] The current system, which is the proportional system, i.e., a candidate receives votes from the entire state, promotes ties to parochial interests. So we have the retirees' deputy, who thinks only about the retired persons; the Northeastern deputy, who thinks only of the Northeast; the industrial deputy, who thinks only of industry; the deputy elected by the short people and the bald, who thinks only of the shorties and the bald. The sum of all those interests does not equal the whole of the national interest. That is why I think that proportional voting is a bankrupt system, a blunt instrument, slow, balky, and submissive to the corporative or parochial interests. That is why we need the district voting system. No one is going to win elections in the districts by becoming known as the deputy of the retirees. There are not enough retirees, not enough bald people, and not enough women who vote only on those grounds.

[O ESTADO] And so you think the district system is perfect?

[Pinheiro] It has its flaws. It can suffocate and exclude the minorities, whether they be biological or corporative. That is why we advocate a mixed system, in which part of the Chamber is elected by the district vote and another part by the proportional method.

[O ESTADO] Are you in favor of advancing the date of the plebiscite that is going to determine whether the government remains presidential or whether we change to the parliamentary system?

[Pinheiro] I advocate moving up the date. But first, I think that any rescheduling must be the result of a comprehensive political agreement. I do not think that we should fiddle with this on the basis of only a slim majority. The second prerequisite is that any change in the system of government not affect the mandate of either the president or the Congress. By this I mean it

should neither shorten the president's term of office nor lengthen that of the Congress. Personally, I do not think that undertaking the revision in 1994 will work out well. The election campaign will require the legislators to play a very active role in electing the president of Brazil, the vice president, two senators, a federal deputy, a state deputy, and the governors. And this will leave the "reconstituentes" of 1994 very little time to accomplish the constitutional revision over the course of the year. The biggest problem, however, is the dangerous and indiscriminate mingling of the constitutional themes with the clamor of the election campaign.

[O ESTADO] What do you think of the present composition of the Chamber, in which the proportionality of the representation punishes the most populous states and benefits the less important ones?

[Pinheiro] That is a tragic legacy of the dictatorship. The April 1977 "package" upset the representation with its mechanisms of floors and ceilings. Important states are under-represented and less important regions are over-represented. In the Constituent Assembly, the over-represented regions blocked changes in this area. I believe this must change. But first, there must be a broad-based understanding among all the parties.

Chile

UK Authorities Deny Asking Pinochet To Visit

PY3004015691 Santiago Radio Chilena Network in Spanish 1700 GMT 29 Apr 91

[Text] General Augusto Pinochet's announced visit to the United Kingdom is allegedly up in the air because sectors of the media [as heard] attributed with having invited him, as well as UK authorities, deny having promoted the alleged trip of the former Chilean president.

Press reports datelined Santiago, Chile, that state Gen. Pinochet was invited to visit military industries were widely published by British dailies. THE OBSERVER and THE SUNDAY TIMES only devoted a few lines to this information, but THE INDEPENDENT ON SUNDAY published information obtained from various sectors.

A spokesman for the Chilean Embassy in London said the alleged visit was not official and had not been requested by President Patricio Aylwin's government. Meanwhile, a spokesman for the UK Foreign Office Department for Latin American Affairs asserted that the UK Government has not received any request to invite Gen. Pinochet.

Royal Ordnance, the British enterprise that extended the invitation according to local dailies, asserted that it did not and added that if Gen. Pinochet wishes to be officially invited by the British Government and they are asked to act as hosts, they will do so.

Pinochet's alleged visit prompted reactions from human rights organizations in London. They recalled that during the military regime headed by Pinochet, hundreds of opposition members disappeared or were murdered, and they threatened to organize demonstrations if Pinochet goes to the UK.

George Punk, a Labor Party spokesman, declared that he would raise the subject of the alleged invitation during parliamentary sessions next week and added that the visit is an insult to the memory of the people who were tortured and murdered under Pinochet's regime.

Argentine Army Chief Praises Relations

PY3004005091 Santiago Radio Chilena Network in Spanish 1700 GMT 29 Apr 91

[Relay from La Moneda Palace by Nelson Oteiza]

[Text] President Patricio Aylwin today received Argentine Army Chief of Staff Lieutenant General Martin Bonnet, who came to say goodbye as he ends his visit to Chile. At the end of the meeting Gen. Bonnet, who was accompanied by Chilean Army Commander General Augusto Pinochet, referred to the role the armies of the world must play.

[Begin recording] [Bonnet] The armies must always and exclusively fulfill military duties; they have no other duties to fulfill.

[Unidentified reporter] They should not get involved in politics.

[Bonnet] That is right. [end recording]

The Argentine Army chief of staff also said that the relationship between the Argentine and Chilean Armies is impeccable. Bonnet added that his visit to Chile served to continue the task of uniting the two armies. When he was asked whether this rapprochement included Gen. Pinochet, Bonnet answered: Naturally, he is the primary person representing the Chilean Army.

Gen. Pinochet, nowever, made no comments at the end of the meeting.

Air Force Unit Leaves for UN Mission in Gulf

PY3004031891 Santiago Radio Chilena Network in Spanish 1700 GMT 29 Apr 91

[Text] Air Force Commander General Fernando Matthei today exhorted a detachment of 50 Chilean officers and NCO's leaving for the Persian Gulf on a peace mission to uphold the prestige of Chile and its military aviation.

General Matthei today said farewell to a Chilean Air Force [FACh] detachment that left on a U.S. cargo airplane to join the international UN force that will carry out an observation and peace-keeping mission on the Kuwaiti-Iraqi border after the recent war.

The FACh detachment left from the 10th section of Pudahuel Airport in a U.S. Air Force C-5 Galaxy. The Galaxy also carried six Bell helicopters with the letters FACh-UN painted in white. The helicopters are unarmed in accordance with international regulations.

Gen. Matthei said: I hope you will all return safely. Go with God.

The Chilean delegation, which is headed by Colonel Antonio Monserrat, left a little after 0800. The aircraft will stop over in Panama, the United States, and Germany before arriving at the Kuwaiti-Iraqi border. Chile is the only country represented in the multinational force that will provide helicopters to safeguard peace during the mission in the Middle East.

Transportation Sector Strike Viewed by Leaders

PY2604143691 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 26 Apr 91

[Excerpts] Leaders of the National Transportation Council have expressed satisfaction over the bus strike. They stated that they are awaiting the return of President Patricio Aylwin before resuming talks with government officials to find a solution to their problem.

[Begin reporter recording] Two hours after the end of the bus strike ordered by the transportation council, Manuel Navarrete, Miguel Erane, and Raul Bettini, the top leaders of this sector evaluated the 12-hour bus strike as effective and having fulfilled its purpose. [passage omitted] [end recording]

The leaders expressed confidence in resuming talks with government officials but Transportation Minister German Correa discarded any possibility of resuming the talks.

[Begin Correa recording] We believe that this is not the time to talk. We made every effort to talk yesterday but they rejected the idea. [end recording] [passage omitted]

We now have a live interview with Transportation Minister German Correa, who is in the headquarters of the General Confederation of Transportation Workers.

[Begin relay] [Reporter] Good evening. We have seen that the strike ordered by bus owners was a complete success and that it caused serious obstacles in Santiago and in other cities. In a relatively short time, the bus owners may order a 24- or 48-hour strike. What will you do in this case?

[Correa] First, I would not label the strike a success for the bus owners. I do believe, however, that they were able to demonstrate that they have tight control over their people through persuasion and through coercive means. They are capable of getting their people to strike through pressure and persuasion. I was in my office until 2200 receiving phone calls from owners of small transportation companies who wanted to work but who were afraid because they were under pressure. They wanted some kind of guarantee from the government to begin to work. [passage omitted]

The community defeated the strike. This prompts us to reiterate what President Patricio Aylwin said in Germany today; he said that no strike, neither for 24 or for 48 hours, will stop the government from carrying out a just and technically solid policy to solve the problem that the entire community demands, for the health of our children, the aged, and to improve the standard of living of Santiago and other Chilean cities. [passage omitted] [end relay]

[Santiago Radio Nacional de Chile Network in Spanish at 1100 GMT on 26 Apr carries the following report. "Transport Minister German Correa has labelled the strike declared by bus owners as fruitless and illegal. He said that the government will not change its program that seeks to rationalize the itineraries of bus services. He added that those responsible for the strike can not go unpunished because they created serious problems in the productive sectors and commotion among the public.

"Guillermo Navas, the presiding judge, said that if the government can prove its allegations, the promoters of this strike could be sentenced to imprisonment of up to three years, banished, or fined."]

* Defense Minister Rojas's U.S. Visit Analyzed

91SM0278A Santiago ERCILLA in Spanish 27 Mar-2 Apr 91 pp 19-20

[Commentary by Daniel Prieto Vial: "To Be or Not To Be...Autonomous"]

[Text] "Chile's geographic location in Latin America determines its importance to us." The remark was made by General Colin Powell, the Armed Forces chief of staff who is now famous for his role in the war against Iraq.

The fact is that to the United States our country is a strategic enclave in which to establish its influence. Chile's relative economic and political success also makes it an example for other nations in the region. Hence the importance that the United States attaches to the visit that Defense Minister Patricio Rojas and his entourage paid to Washington in mid-March.

In essence, the aim was not just to reestablish "normal" military relations, but also to restore U.S. influence in the domestic military sphere and, if possible, to heighten it. Thought is being given to training programs for officers of the three branches of the Armed Forces at the Pentagon's various educational centers. There have also been talks (still of a general nature, a first approach) about purchases of military hardware. Several other areas of cooperation have also been discussed. Washington is particularly interested in fighting drug trafficking and in the role that Chile plays or could eventually play as a transit, processing, or money-laundering country.

Chile could well be a natural ally of the United States. In fact, the two countries have historically been favorably disposed towards each other. But it will all depend on what they offer us. The country could gain or lose in strategic stature, independence, and security, depending on how the negotiations go.

The United States is concerned about the development and direction of our new defense industry. It is annoyed that we sell arms to countries like Iraq or Libya. It is pressuring us to spell out our position on the future of nuclear weapons in the region. It wants us to ratify the Tlatelolco Treaty as soon as possible, thus pledging not to develop nuclear or thermonuclear devices.

It is also interested in controlling Chile's access or the access of other countries in the region to the technology for manufacturing missiles. Several other mid-sized powers that have special agreements with the United States to preserve some degree of monopoly on sensitive technologies are also part of this policy.

For example, Chile was under heavy pressure to prevent the sale of fuel-air bombs. The U.S. press joined in this. Numerous articles called these weapons inhuman, especially if they were Chilean-made or were in Iraq's hands. One well known Chilean company that exports military hardware was accused of testing and developing these arms for Iraq. There was no mention, however, that the United States invented these bombs. What is more, the magazines TIME and NEWSWEEK acknowledge that Washington used them repeatedly in the Gulf war.

In other words, this is not an ethical demand; rather, it is an attempt to preserve a privileged position. Only the United States and, at most, a small group of powers, which have already secured the privilege of acquiring certain technologies, can have or use certain weapons or capabilities.

Chile must seek options in the face of this stark fact. It is important, of course, to have the best relations possible with the United States, but it is also important to see to it that this does not turn into a "bear hug" that eventually crushes or, at least, diminishes our independence.

In talking with air force General Ramon Vega, I learned to my satisfaction that he advocates continued development of our technological base. When there are rumors of a U.S. offer of 18 to 24 F-16 fighters, defense experts automatically ask themselves under what conditions this would be reasonable. It is in Chile's interest, of course, in a case like this to secure major investment in our country. Industrial and technological compensation is indispensable.

The involvement of private industry is also essential. As is the pursuit of an interbranch weapons policy with a comprehensive approach that reconciles the interests of each defense branch with the industrial standardization and synergy that coordination yields. These are areas in which Chile must necessarily involve itself during this stage of its historical development.

Our country meets all of the conditions to become a major high-technology center in South America. Our comparative advantages in special defense areas have already been demonstrated. Defense resources could well help to hone our technology and future industry. At least this has happened in all of the countries that have managed to progress from underdevelopment to the industrialized world.

Great headway has been made with the idea of changing the long-standing criteria for the purchase of military hardware. To purchase without incorporating a technological base of one's own is to create dependency. Dependence means insecurity. The Armed Forces are created by society for its security. Hence, mere purchases will never be acceptable. They create insecurity. They are at variance with the raison d'etre of the Armed Forces.

Every purchase ought to be incorporated into and made compatible with a national technology-development program. The important thing, then, is to find out to what degree this can be accomplished. It will depend on the negotiations.

How much will be invested in our own research and development? A country has opportunities until the contract is signed. Afterwards, it is at the mercy of the supplier. One of the main future responsibilities of the defense sector will be to pin the supplier down tightly and thus to secure terms that will help to enhance the country's technological and strategic stature.

A good defense policy could be a decisive contribution to the country's rapid technological takeoff.

It is a well-known fact that military technologies always have an impact on civilian production.

It is also important not to ignore the natural comparative advantages that exist or could be developed. But they must be evaluated in the medium and long term, never in the short run.

Hence the importance of involving private enterprise in periodic biddings for public funds, backed by a clear-cut defense policy that looks to the long run.

The recent visit to the United States by our defense minister is of enormous importance for all of these reasons. The same goes for the upcoming visit by the minister and his entourage to Europe.

Nor must we forget industrial and strategic coordination in South America. Only thus will this continent be able to use its critical mass to become a significant actor in its own development in the third millennium. We have already wasted all too many years with our local disputes. We have neutralized each other in this way and gone unnoticed in the rest of the world, almost like a continent from the past.

We should not be surprised, then, that 180 years after independence our countries are still underdeveloped. Let us hope that we do not remain this way in the third millennium.

The upcoming celebration of the 500th anniversary of the discovery of America seems an auspicious time for reflection.

* Chamber of Deputies Studies Reform of Labor Law

91SM0278C Santiago LA NACION in Spanish 24 Mar 91 p 13

[Report by Javier Galaz]

[Text] Valparaiso—The Chamber of Deputies yesterday approved the idea of legislating reforms in the laws on labor union organizations and collective bargaining. The bloc of the Independent Democratic Union (UDI) was the only one to oppose the bill, which is the result of an agreement that the Coalition and National Renewal [RN] entered into in the Senate. In response to criticism that the bill suffered from specific inadequacies, Labor Minister Rene Cortazar announced that a new bill would be submitted to set minimum conditions for temporary work.

The reform bolsters the powers of the unions, extends immunity to the leaders of higher level organizations, lengthens the hours of union leave, facilitates the collection of dues, and gives the unions and the courts of justice additional tools to identify unfair practices during collective bargaining. Collective bargaining is also extended beyond the company level, subject to an agreement between employers groups and the unions.

As for strike regulation, time restrictions are abolished, and the power of the employer to hire replacement personnel from the first day of the work stoppage is preserved as long as his last offer maintains the conditions in the previous contract, includes 100 percent adjustments for the CPI [consumer price index], and guarantees such adjustability in the future. If the employer's offer is lower, strikers can be replaced temporarily only after the 15th day of the strike. The mediation arrangements that have so far been reserved for strategic companies also now apply to the rest of the production units.

During a lengthy debate the congressmen from the Coalition indicated that the text agreed upon with RN is "inadequate" but represents a "gain" over the regulations inherited from the military regime. They announced a series of suggestions for strengthening the unions, especially by extending compulsory 100-percent payment of union dues to all workers who benefit from collective bargaining.

Colombia

Authorities Capture Leader of Paramilitary Group

PA3004014691 Bogota EL NUEVO SIGLO in Spanish 24 Apr 91 p 7

[Text] The commander of a dangerous paramilitary group charged with participating in five massacres and three attacks on teachers in the coffee region, where 27 people have died, was captured yesterday in downtown Bogota by members of the Administrative Department of Security (DAS).

A spokesman from the organization reported that after a long investigation, the authorities found Ciro Antonio Zuluaga Restrepo in the capital and captured him.

Judges in Pereira and Dosquebradas have issued arrest warrants against the commander of the paramilitary groups, which operate in Risaralda, Quindio, and Caldas Departments.

Zuluaga is charged with leading and actively participating in five massacres in which 24 people died. He is also charged with the deaths of three teachers in Risaralda. According to the investigators, Ciro Zuluaga Restrepo was commander of a dangerous organization known as "Los Magnificos," which was dismantled on 30 January 1990.

Paraguay

Finance Minister Submits Draft Economic Plan

PY2904164091 Asuncion ABC COLOR in Spanish 29 Apr 91 p 13

[Text] Finance Minister Juan Jose Diaz Perez yesterday briefed the Council of Ministers at the Lopez Palace on a draft economic plan that seeks to systemize the public sector, especially the application of the various instruments used by the government, and to determine the required priorities, means, and resources.

The document was completed at 2200 on Thursday night, but the members of the economic team were unable to review it before the Council of Ministers meeting yesterday. The document will be studied next week, first by the economic team and then by the Council of Ministers, which is chaired by the president of the Republic.

According to Diaz Perez, the author of the plan, no radical changes are contemplated. The plan merely reiterates current priorities, like the need to support social sectors—housing, education, and health—the Paraguay Parana waterway, and the reform of the tax code.

On the monetary side, the plan considers the possibility of periodically reviewing the required level of reserves and interest rates in line with market conditions and the financial needs of productive sectors, according to inflation.

The only dissenting voice was that of Industry and Commerce Minister Antonio Zuccolillo, who reasserted his position in favor of development through an easy Central Bank credit policy that would benefit productive sectors.

"I just want to say a few words on behalf of development, of agriculture, and of rural life. The monetary policy should favor easy money. We have to develop our country. This is a priority," said Minister Zuccolillo.

He added that plans should be carefully managed. Many well-meaning plans fail because they are badly implemented.

Central Bank President Jose Enrique Paez reasserted that the anti-inflationary program will continue. He noted: "If current trends continue, we believe that on the basis of actual indicators the monthly rate of inflation will stabilize below 2 percent as of June. This would allow us to calculate the annual inflation rate."

He reaffirmed that irrespective of what that rate might be, the Central Bank will provide credits for the productive sectors. Other sources of money will also be assured through monetary and credit decisions over interest rate, etc. Paez explained that the idea is to gradually relieve the Central Bank from the obligation of providing the banking system with resources for customer credits.

Paez then said that the economic team is studying ways of prodding Congress into sanctioning a law that will protect investments.

Peru

Security Forces Front Threatens To Hold Strike

PY3004022491 Madrid EFE in Spanish 2247 GMT 28 Apr 91

[Text] Lima, 28 Apr (EFE)—The Lima newspaper EL NACIONAL today reported that a self-styled United Front of Armed Forces and Peruvian National Police Lower-Ranking Personnel [Frente Unificado del Personal Subalterno de las Fuerzas Armadas y la Policia Nacional del Peru] has charged officers with corruption and maltreatment. The group is threatening to stage a strike if their salary demands are not met.

The newspaper states that several people wearing hoods and Army, Navy, Air Force, and police uniforms held a clandestine news conference. It adds that during the news conference, they described themselves as representatives of lower-ranking personnel throughout the Armed Forces who "have united to break the chains that tie us to a humiliating, belittling life."

The hooded people reported that the front was established on 5 March and honors the wives and mothers of security forces personnel who staged demonstrations in downtown Lima from February to March to demand better salaries for their relatives.

According to EL NACIONAL, the alleged representative of lower-ranking naval personnel reported that officers abuse their subordinates and that subordinates are treated "like cattle" at the medical center. He also reported the existence of "deals" with Peruvian Navy ships that are out of service.

The alleged National Police representative deplored "the meager salary" they earn and added that they demand a "decent" salary.

They also said that if their demands are not met, the lower-ranking personnel from the four branches of the Armed Forces will stage a strike in May.

There were rumors on 5 February about a police strike that was to be sponsored by an illegal union. This strike did not take place, and the Peruvian Government never officially admitted this report.

There have been two police strikes in Peru: One on 5 February 1975 and another in May 1987.

Ex-President Garcia Denies Enrichment Charges

PY2904175291 Madrid EFE in Spanish 1938 GMT 26 Apr 91

[Excerpt] Lima, 26 Apr (EFE)—Former Peruvian President Alan Garcia has denied having $50 million distributed in several bank accounts abroad as was stated by the congressional commission investigating his alleged illegal enrichment during his mandate.

Independent Deputy Fernando Olivera Vega, president of the Olivera Commission that is conducting the investigations, based his information on documents provided by "Kroll Associates" of New York and "Larc Investigative Service" of Miami.

Alan Garcia said on 25 April that he has hired lawyers in those two U.S. cities to sue the mentioned enterprises.

The lawyers, he said, will also contact banks in the United States, Spain, and Belgium where, according to "Kroll" and "Larc", he opened several savings accounts.

Garcia confirmed: "At my request, and in the presence of representatives of the prosecutor's office and judicial branch, the number and type of all the transactions and transfers" will be clarified.

Garcia said: "I can be accused of many things: of a bad administration, of being responsible for inflation, but not of this type of fraud for that amount." He then added that "Larc" is a detective agency like so many others. [passage omitted]

Fishing Contract With Soviet Company Canceled

PY2904141291 Lima RTP Television Network in Spanish 1100 GMT 29 Apr 91

[Text] Fisheries Minister Felix Canal Torres has announced that the Epsep [Peruvian Enterprise for

Fishing Services] has decided to cancel its contract with the Soviet company (Hybra) because this company has not fulfilled the terms of the contract and has caused the country to lose approximately $18 million. Peruvian officials were unable to convince Soviet representatives to amend certain clauses of the contract that are considered harmful to Peruvian interests. The fisheries minister said that he will go to Government House to give President Fujimori the report that Epsep has prepared on this issue and also to convey to the president the decision of the Epsep executive board to cancel the contract.

Minister Canal stated: I am sure that President Fujimori will endorse this decision, which is in the best interests of all Peruvians.

Economy, Agriculture Ministers Leave for U.S.

PY2904135091 Lima RTP Television Network in Spanish 1100 GMT 29 Apr 91

[Text] Economy Minister Carlos Bolona Behr and Agriculture Minister Enrique Rossl Link last night left for Washington, where Bologna will join the mission headed by Central Reserve Bank President Jorge Chavez. This mission is trying to put together a support group that would be led by the United States.

According to information received, the agriculture minister traveled to Washington to attend the 7th Latin American Meeting on Animal Health. The plane carrying the two ministers left Lima last night at 2030.

Guyana

GLEANER Explains Investment Opportunities

FL2604211091 Bridgetown CANA in English 1607 GMT 26 Apr 91

[Text] Kingston, Jamaica, April 26, CANA—Guyana offers good investment opportunities as the country moves from years of major economic troubles, according to GLEANER newspaper chairman and managing director, Oliver Clarke.

"The astute Jamaican businessman might well find some good investments in Guyana—right now," he said. According to Clarke, Guyana needs foreign investment and management skills after economic decline and falling living standards under the government of former president Forbes Burnham, who died [in] 1985.

"But there is a new wind blowing. President (Desmond) Hoyte has thrown the doors of Guyana's economy open to the world and to the country's private sector," he said.

In Friday's edition of the financial GLEANER, Clarke said Guyana had an International Monetary Fund-backed economic recovery programme in place, virtually no foreign exchange controls, and an enthusiastic programme to divest state businesses.

"The Trinidadian insurance company CLICO has bought a lumber business. So has the Beaverbrook Trust, from England. Investors from St. Vincent are now into rice milling. Atlantic Tele Network from the Virgin Islands has taken over the telephone company. Reynolds is back into bauxite mining; Alcan executives are talking; Booker Tate is managing parts of the sugar industry," he noted.

Government entities up for divestment include Guyana Airways, Guyana fisheries, Guyana stockfeeds, and transport services, Clarke added.

"Anyone can walk into the...privately owned foreign exchange bureaus, called cambios, in Georgetown, and buy or sell hard currency. No questions are asked. No reasons have to be given. Rates are freely set by the cambios. The official exchange rate—used to buy sugar and bauxite earnings—is set weekly, based on the cambio rate," the Jamaican businessman said.

"If hard currency purchased is used for capital flight or to repatriate dividends blocked for a decade...so be it. If a December exchange rate of 98 (Guyana dollars to the U.S. dollar) becomes 126 by April, there's no government intervention," Clarke wrote.

He said President Hoyte's implementation of these measures while facing an election before year's end and while taking steps to make the election "potentially fairer," demonstrated "strong leadership by a president charting a different course to his predecessor." "The irony of Guyana is that the private sector and possibly most of the electorate seem to be fed up with the (ruling People's National Congress), in spite of the recent reforms," Clarke said. The 1991 elections may well bring to power by free and fair vote the Caribbean's only communist government—headed by former premier Dr. Cheddi Jagan, he added.

"This business community seems unafraid of supporting Comrade Jagan's return to power (after 27 years) even though he has not admitted to any version of...ideological transformation. Nor has Jagan spelt out his party's economic strategy to create growth," Clarke said.

Suriname

Guerrilla Groups Sign Pact With Government

PA2704170091 Paris AFP in Spanish 0245 GMT 27 Apr 91

[All names as published]

[Text] Paramaribo, 26 Apr (AFP)—Official sources announced in Paramaribo on 26 April that the four insurgent groups that operate in Suriname's interior signed an agreement with the government on 26 April promising to recognize the government's authority throughout the country.

The guerrilla organizations Jungle Command [Comando de la Jungla], Tucajana Amazons, Mandela, and Angula pledged to respect the law and allow citizens free access to interior areas traditionally under guerrilla control, in an effort to facilitate the elections scheduled for 25 May.

The agreement was signed on behalf of the government by Justice Minister Paul Shak Sjie and Defense Minister Rupert Christopher, and Minister Hans Breeveld on behalf of the Home Affairs and Regional Development ministries.

Jungle Command Leader Ronnie Brunswijk and Army Commander Desi Bouterse signed a peace pact on 24 March, after four years of civil war.

In March, the Jungle Command and the Tucajanas promised to open their territories to free circulation after repeated complaints that the electoral campaign was being hampered by the activities of the illegal armed groups.